

RECEIVED

FEB 23 2011

Environmental
Cleanup Office

LDWSF
12,3,382.1V2

MCM
BACIC

MEMO

To: Sheila Hansen

From: Roberta Tansey

Date: February 9, 2009

Re: Policy copies

Sheila

Enclosed are the 2008-2011 Bumbershoot policies. This is in regards to the EPA request for the Duwamish Waterway Superfund Site.

Regards

Roberta Tansey

1325 FOURTH AVENUE, SUITE 2100, SEATTLE, WA 98101 206-343-2323 PH 206-748-9574 FAX

WA LICENSE #712152, OR LICENSE #818640, AK LICENSE #67446, CA LICENSE #0F82099

Employee Benefits | Executive Benefits | Retirement Plans | Insurance Advisory | Property & Casualty | Surety

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RECEIVED

FEB 23 2011

Environmental
Group OfficeTRAVELERS 

RENEWAL CERTIFICATE

Renewal Period From: 06/09/10 To: 06/09/11		Type of Policy Bumbershoot Liability			Policy No. 0X08400205
RENEWAL PREMIUM					
Hull \$	P&I \$	Liability \$	Excess \$60,000	TRIA \$1,800	Total \$61,800

Name and Mailing Address of Insured

PACIFIC PILE & MARINE LP

582 SOUTH RIVERSIDE DRIVE
SEATTLE WA 98108

In consideration of the renewal premium the above numbered policy is renewed for the period specified, subject to the terms and conditions thereof, except as hereinafter provided:

Exceptions:

Policy number "per subscribers page"

The following forms have been changed:

- Schedule of Vessels
- Schedule of Underlying
- Subscribers Page

IN WITNESS WHEREOF, the Company has caused this Certificate to be signed by its President and Secretary but this Certificate shall not be valid unless countersigned by a duly authorized representative of the Company.


 Secretary


 President
Agency Name and Address

BASIC GROUP LLC

1011 NE HIGH ST SUITE 101
ISSAQUAH WA 98029

Seattle, Washington

Countersigned Date

Countersigned At

Authorized Representative



BUMBERSHOOT POLICY DECLARATIONS

INSURANCE IS PROVIDED BY THE COMPANY DESIGNATED BELOW:

"per subscription page"

A CAPITAL STOCK COMPANY HEREIN CALLED THIS COMPANY

Policy Number 0X08400205
Renewal of Policy Number 0X08400163

NAME AND ADDRESS OF NAMED INSURED

PACIFIC PILE & MARINE LP

582 RIVERSIDE DRIVE
SEATTLE WA 98108

NAME AND ADDRESS OF AGENCY

BACIC GROUP LLC

1011 NE HIGH ST SUITE 101
ISSAQUAH WA 98029

Does hereby insure according to the form and clauses attached:

Coverage Bumbershoot	Rate/\$100. FLAT	Premium \$57,000
From 06/09/09	To 06/09/10	Beginning and ending at 12:01 a.m. Local
Limit of Liability: \$15,000,000	Self-Insured Retention: \$10,000.	
Cancellation notice: 10 days for nonpayment of premium 45 days for reasons other than nonpayment of premium		

IN WITNESS WHEREOF, the Company designated on the Declarations page has caused this Policy to be signed by its President and Secretary and countersigned on the Declarations page by a duly authorized representative of the Company.


Secretary


President

Seattle, Washington

Countersigned Date

Countersigned At

Authorized Representative

** This is not a certified copy of any policy form. * Actual policy provisions may differ. **

POLICY FORM LIST

Here's a list of all forms included in your policy, on the date shown below. These forms are listed in the same order as they appear in your policy.

Title	Form Number	Edition Date
Disclosure Notice Terrorism Risk Insurance Act Of 2002	D0101	01-08
Rejection Of Our Offer Of Coverage		
Bumbershoot Policy Declarations	OMBU0001	03-06
Policy Form List	40705	05-84
AIMU - Chemical, Biological, Bio-Chemical And Electromagnetic Exclusion Clause (3/1/03)	OMGE0100	03-03
AIMU - Extended Radioactive Contamination Exclusion Clause (3/1/03)	OMGE0101	03-03
Alaska Attorney Fees Notice B	OMGE0102	07-05
Named Insured	OMGE0500	07-05
Schedule of Vessels	OMGE0500	07-05
AIMU U.S.Economic And Trade Sanctions Clause	OMGE0108	10-06
Subscribers Page	OMGE0109	08-07
Lead Underwriter Clause	OMGE0113	07-08
Bumbershoot Policy Form	OMBU0002	02-07
Bumbershoot Policy Form Schedule of Underlying Insurances	OMBU0003	03-06
Bumbershoot Pollution Liability	OMBU0100	02-07
Terrorism Risk Insurance Act Certified Acts Of Terrorism Exclusion Endorsement	OMBU0315	01-08

* This is not a certified copy of any policy form. * Actual policy provisions may differ. *

Name of Insured	Policy Number OX08400205	Effective Date 06/09/09
PACIFIC PILE & MARINE LP	Processing Date 08/10/09 12:16	001

** This is not a certified copy of any policy form. * Actual policy provisions may differ. **

DISCLOSURE NOTICE

TERRORISM RISK INSURANCE ACT OF 2002

On December 26, 2007, the President of the United States signed into law amendments to the Terrorism Risk Insurance Act of 2002 (the "Act"), which, among other things, extend the Act and expand its scope. The Act establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in the Act) caused by "acts of terrorism". An "act of terrorism" is defined in Section 102(l) of the Act to mean any act that is certified by the Secretary of the Treasury - in concurrence with the Secretary of State and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States Mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

The federal government's share of compensation for Insured Losses is 85% of the amount of Insured Losses in excess of each Insurer's statutorily established deductible, subject to the "Program Trigger", (as defined in the Act). In no event, however, will the federal government or any Insurer be required to pay any portion of the amount of aggregate Insured Losses occurring in any one year that exceeds \$100,000,000,000, provided that such Insurer has met its deductible. If aggregate Insured Losses exceed \$100,000,000,000 in any one year, your coverage may therefore be reduced.

The premium charge shown below is for coverage under this policy for insured losses covered by the Act. This terrorism premium does not include any charges for the portion of insured losses covered by the federal government under the Act.

If \$0 is shown below for the certified acts of terrorism premium charge, this policy provides such terrorism coverage for no premium charge.

The certified acts of terrorism premium charge shown below applies to all coverage under this policy for Insured Losses covered by the Act that you purchased for a premium charge. For any insuring agreement or coverage part for which you did not purchase such terrorism coverage, this policy may include one or more terrorism exclusions that apply to certified acts of terrorism. Under the federal Terrorism Risk Insurance Program Reauthorization Act of 2007, the applicable definition of certified acts of terrorism no longer requires that the act of terrorism be committed on behalf of a foreign person or foreign interest. Therefore, each such exclusion is not limited to an act of terrorism committed on behalf of a foreign person or interest.

Name of Insured: PACIFIC PILE & MARINE LP

Policy Number: OX08400205

Effective Date: 06/09/10

Certified Acts Of Terrorism Premium Charge: \$1,800.

Processing Date: 08/10/10 15:21 001

IMPORTANT NOTICE - INDEPENDENT AGENT AND BROKER COMPENSATION

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR BROKER IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.

For information about how Travelers compensates independent agents and brokers, please visit www.travelers.com, call our toll-free telephone number, 1-866-904-8348, or you may request a written copy from Marketing at One Tower Square, 2GSA, Hartford, CT 06183.





OCEAN MARINE CLAIM

COVERING THE WATERS OF THE WORLD

At Travelers, we know that professional claim handling means knowing that you'll get answers, not hassles. It means knowing that your clients will be treated fairly, and that their claims will receive prompt attention and unmatched professional service. It means knowing that you'll be working with an experienced staff who understand your client's business and will do what they promise - whether it's returning a phone call or e-mail, making a personal visit or sending a check. Most importantly, it's knowing that what matters to you is what matters to us.

Our dedicated Ocean Marine Claim Unit, under the leadership of Anthony Corsale, features professionals located where you need them - in the field. Working in tandem with our claim handlers, our recovery specialists help maximize your recovery potential while keeping your expenses to a minimum.

For the most efficient claim service, please call, fax or e-mail your claims directly to the regional or specialty manager for the state where you are located.

Region / Specialty	States	Manager
West	AZ, CA, CO, HI, NM, NV, UT	Donna Zeller Phone: 206.464.5740 Fax: 206.464.3432 E-mail: dzeller@travelers.com
Northwest	AK, ID, MT, OR, WA, WY	Donna Zeller Phone: 206.464.5740 Fax: 206.464.3432 E-mail: dzeller@travelers.com
Midwest	IA, IL (northern), IN, KY, MI, MN, ND, NE, OH, SD, WI	Wyndell Hunt Phone: 281.606.7251 Fax: 281.606.8516 E-mail: wdhunt@travelers.com
Northeast	CT, MA, ME, NH, NY, RI, VT	Theresa Gilbert Phone: 917.778.6411 Fax: 917.778.7009 E-mail: tgilbert@travelers.com
Mid-Atlantic and Southeast	AL, DC, DE, FL, GA, MD, NC, NJ, PA, SC, TN, VA, WV	Mark Smieya Phone: 732.205.9275 Fax: 888.479.0550 E-mail: msmieya@travelers.com
South Central	AR, IL (southern), KS, LA, MO, MS, OK, TX	Wyndell Hunt Phone: 281.606.7251 Fax: 281.606.8516 E-mail: wdhunt@travelers.com
Recovery	Countrywide	Mark Smieya Phone: 732.205.9275 Fax: 888.479.0550 E-mail: msmieya@travelers.com
Yachts	Countrywide	Joe Grenzebach Phone: 206.464.5739 Fax: 206.464.3432 E-mail: jgrenzeb@travelers.com

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* 1 C O O 2 OX08400205

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POLICY FORM LIST

The St Paul

Here's a list of all forms included in your policy, on the date shown below. These forms are listed in the same order as they appear in your policy.

Title	Form Number	Edition Date
Disclosure Notice Terrorism Risk Insurance Act Of 2002	D0100 ✓	03-09
Renewal Certificate	OMGE0002 ✓	05-06
Bumbershoot Policy Declarations	OMBU0001 ✓	03-06
Policy Form List	40705 ✓	05-84
AIMU - Chemical, Biological, Bio-Chemical And Electromagnetic Exclusion Clause (3/1/03)	OMGE0100 ✓	03-03
AIMU - Extended Radioactive Contamination Exclusion Clause (3/1/03)	OMGE0101 ✓	03-03
Alaska Attorney Fees Notice B	OMGE0102 ✓	07-05
Named Insured	OMGE0500 ✓	07-05
Schedule of Vessels	OMGE0500 ✓	07-05
CAP On Losses From Certified Acts Of Terrorism Endorsement	D0144 ✓	01-08
AIMU U.S.Economic And Trade Sanctions Clause	OMGE0108 ✓	10-06
Subscribers Page	OMGE0109 ✓	08-07
Lead Underwriter Clause	OMGE0113 ✓	07-08
Bumbershoot Policy Form	OMBU0002 ✓	02-07
Bumbershoot Policy Form Schedule of Underlying Insurances	OMBU0003 ✓	03-06
Bumbershoot Pollution Liability	OMBU0100 ✓	02-07

PLEASE NOTE: This is a renewal of your policy. Some of the forms that make up your policy may not be attached. Only agreements or endorsements that are new or have been changed are attached. Please refer to your previous policy for any forms listed here that are not attached.

Name of Insured
PACIFIC PILE & MARINE LP

Policy Number OX08400205
Processing Date 08/10/10 15:21 001

Effective Date 06/09/10

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Schedule of Vessels

* 1 C O O 2 OX08400205 8001 * M: 01 I: 000 T: 001

Barge "MUD PUP"
Tug "NORENE"
Barge "PAMTAY"
Barge "MR. FRITZ"
Barge IB1
Work Boat
Barge "LASH 4"
Tug "MR. BACIC"
2 - Sein Skiffs
4 - Work Skiffs
Barge KP2
Barge KP3
Barge PORPOISE

Flexifloats

8 - 40x10x7
2 - 20x10x7
11 - 40x10x7
4 - 20x10x7
13 - 85x21x5
6 - 40x10x7
1 - 20x10x7

4 - Spud Wells 24"
1 - American Drum
3 - TA2-24MXI winch
3 - Smith Berger MD-610
Barge "CALLAPOOYA"
4 - Smith Berger MD-1212
Skagit G-70 winch

Name of Insured
PACIFIC PILE & MARINE LP

Policy Number OX08400205

Effective Date 06/09/10

Processing Date 08/10/10 15:21 001

CC: 000 D628
* 1 C O O 2 OX08400205 8003 * M: 01 I: 000 T: 001

SUBSCRIBERS PAGE

IN WITNESS WHEREOF, the Subscribers hereunder each severally, but not jointly, and not on the part of one for the other or any of the others have caused this policy to be signed by a duly authorized officer, attorney or agency, this 9th day of June , 2010.

<u>INSURER AND POLICY NUMBER</u>	<u>PARTICIPATION</u>	<u>PREMIUM</u>	<u>AUTHORIZED SIGNATURE FOR INSURER AND DATE</u>
St. Paul Fire & Marine Insurance Co. OX08400205	50%	\$30,900	

AGCS Marine Insurance Co. OXL92003230	50%	\$30,900	
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ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

Name of Insured

PACIFIC PILE & MARINE LP

Effective Date 06/09/10

Processing Date 08/10/10 15:21 001

OMGE0109 Ed. 8-07

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BUMBERSHOOT POLICY FORM

SCHEDULE OF UNDERLYING INSURANCES

Coverage	Company	Policy Number	Limit of Liability	Effective Dates
Protection & Indemnity/Towers/Collision	St. Paul Fire & Marine Insurance Co.	OH08400495 ✓	\$1,000,000	06/09/2010 to 06/09/2011
Marine General Liability	St. Paul Fire & Marine Insurance Co.	OL08400599 ✓	\$1,000,000 Occurrence \$2,000,000 Aggregate	06/09/2010 to 06/09/2011
MEL / EL	SeaBright Insurance Co	BB1101732 ✓	\$1,000,000	06/09/2010 to 06/09/2011
Automobile Liability	St. Paul Fire & Marine Insurance Co.	BA-5567N683 ✓	\$1,000,000	06/09/2010 to 06/09/2011
Vessel Pollution	WQIS	³ 4 250691	\$5,000,000	06/09/2010 to 06/09/2011

Name of Insured
PACIFIC PILE & MARINE LP

Policy Number OX08400205

Effective Date 06/09/10

Processing Date 08/10/10 15:21 001

Coverage	Company	Policy Number	Limit of Liability	Effective Dates
Stop Gap Liability	St. Paul Fire & Marine Insurance Co.	OL08400599	\$1,000,000 Occurrence \$2,000,000 Aggregate	06/09/2010 to 06/09/2011

DISCLOSURE NOTICE
TERRORISM RISK INSURANCE ACT OF 2002
REJECTION OF OUR OFFER OF COVERAGE

You did not accept our offer of coverage for certified acts of terrorism, as defined in and certified under the Terrorism Risk Insurance Act of 2002. Therefore, this policy contains one or more exclusions that apply to certified acts of terrorism. Under the federal Terrorism Risk Insurance Program Reauthorization Act of 2007, the applicable definition of certified acts of terrorism no longer requires that the act of terrorism be committed on behalf of a foreign person or foreign interest. Therefore, each such exclusion is not limited to an act of terrorism committed on behalf of a foreign person or interest.

If you were not made aware of our offer of coverage for certified acts of terrorism, or believe that this notice was included in this policy in error, please notify your agent or broker immediately.

Name of Insured: PACIFIC PILE & MARINE LP

Policy Number: OX08400205

Effective Date: 06/09/09

Processing Date: 08/10/09 12:16 001

** This is not a certified copy of any policy form. * Actual policy provisions may differ. **

IMPORTANT NOTICE - INDEPENDENT AGENT AND BROKER COMPENSATION

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR BROKER IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.

For information about how Travelers compensates independent agents and brokers, please visit www.travelers.com, call our toll-free telephone number, 1-866-904-8348, or you may request a written copy from Marketing at One Tower Square, 2GSA, Hartford, CT 06183.

* This is not a certified copy of any policy form. * Actual policy provisions may differ. *



OCEAN MARINE CLAIM

COVERING THE WATERS OF THE WORLD

At Travelers, we know that professional claim handling means knowing that you'll get answers, not hassles. It means knowing that your clients will be treated fairly, and that their claims will receive prompt attention and unmatched professional service. It means knowing that you'll be working with an experienced staff who understand your client's business and will do what they promise - whether it's returning a phone call or e-mail, making a personal visit or sending a check. Most importantly, it's knowing that what matters to you is what matters to us.

Our dedicated Ocean Marine Claim Unit, under the leadership of Anthony Corsale, features professionals located where you need them - in the field. Working in tandem with our claim handlers, our recovery specialists help maximize your recovery potential while keeping your expenses to a minimum.

For the most efficient claim service, please call, fax or e-mail your claims directly to the regional or specialty manager for the state where you are located.

Region / Specialty	States	Manager
West	AZ, CA, CO, HI, NM, NV, UT	Donna Zeller Phone: 206.464.5740 Fax: 206.464.3432 E-mail: dzeller@travelers.com
Northwest	AK, ID, MT, OR, WA, WY	Donna Zeller Phone: 206.464.5740 Fax: 206.464.3432 E-mail: dzeller@travelers.com
Midwest	IA, IL (northern), IN, KY, MI, MN, ND, NE, OH, SD, WI	Wyndell Hunt Phone: 281.606.7251 Fax: 281.606.8516 E-mail: wdhunt@travelers.com
Northeast	CT, MA, ME, NH, NY, RI, VT	Theresa Gilbert Phone: 917.778.6411 Fax: 917.778.7009 E-mail: tgilbert@travelers.com
Mid-Atlantic and Southeast	AL, DC, DE, FL, GA, MD, NC, NJ, PA, SC, TN, VA, WV	Mark Smieya Phone: 732.205.9275 Fax: 888.479.0550 E-mail: msmieya@travelers.com
South Central	AR, IL (southern), KS, LA, MO, MS, OK, TX	Wyndell Hunt Phone: 281.606.7251 Fax: 281.606.8516 E-mail: wdhunt@travelers.com
Recovery	Countrywide	Suzanne Chaffer Phone: 631.577.7403 Fax: 631.577.7877 E-mail: schaffer@travelers.com
Yachts	Countrywide	Joe Grenzebach Phone: 206.464.5739 Fax: 206.464.3432 E-mail: jgrenzeb@travelers.com

**AIMU
CHEMICAL, BIOLOGICAL, BIO-CHEMICAL, AND
ELECTROMAGNETIC EXCLUSION CLAUSE**

(March 1, 2003)

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

In no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to or arising from an actual or threatened act involving a chemical, biological, bio-chemical or electromagnetic weapon, device, agent or material when used in an intentionally hostile manner.

** This is not a certified copy of any policy form. * Actual policy provisions may differ. **

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned policy, other than as above stated.

Name of Insured
PACIFIC PILE & MARINE LP

Policy Number OX08400205

Effective Date 06/09/09

Processing Date 08/10/09 12:16 001

OMGE0100 Ed. 3-03

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**AIMU
EXTENDED RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE
WITH U.S.A. ENDORSEMENT**

(March 1, 2003)

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

1. In no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from
 - 1.1 ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
 - 1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
 - 1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
 - 1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.

**RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE
(U.S.A. ENDORSEMENT)**

This insurance is subject to the Extended Radioactive Contamination Exclusion Clause (March 1, 2003) provided that

if fire is an insured peril

and

where the subject matter insured or, in the case of a reinsurance, the subject matter insured by the original insurance, is within the U.S.A., its islands, onshore territories or possessions

and

a fire arises directly or indirectly from one or more of the causes detailed in Sub-Clauses 1.1, 1.2, and 1.4 of the Extended Radioactive Contamination Exclusion Clause March 1, 2003 any loss or damage arising directly from that fire shall, subject to the provisions of this insurance, be covered, EXCLUDING however any loss damage liability or expense caused by nuclear reaction, nuclear radiation, or radioactive contamination arising directly or indirectly from that fire.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned policy, other than as above stated.

Name of Insured

Policy Number 0X08400205

Effective Date 06/09/09

PACIFIC PILE & MARINE LP

Processing Date 08/10/09 12:16 001

OMGE0101 Ed. 3-03

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Page 1 of 1

ALASKA DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE
ATTORNEY FEES COVERAGE NOTICE B

This policy limits coverage for attorney fees under Alaska Rule of Civil Procedure 82.

In any suit in Alaska in which this Company has a right or duty to defend an Insured within the limits of liability, this Company's obligation under the applicable coverage to pay attorneys fees taxable as costs against the Insured is limited as follows:

Alaska Rule of Civil Procedure 82 provides that if the Insured is held liable, some or all of the attorney fees of the person making a claim against the Insured must be paid by the Insured. The amount that must be paid by the Insured is determined by Alaska Rule of Civil Procedure 82. This Company provides coverage for attorney fees for which the Insured is liable under Alaska Rule of Civil Procedure 82 subject to the following limitation:

If the limit of liability of the applicable coverage is \$1,000,000 or more, this Company will not pay any combination of judgment or claim settlement and attorney fees under Alaska Rule of Civil Procedure 82 that exceeds the limit of liability of the applicable coverage.

If the limit of liability of the applicable coverage is less than \$1,000,000, this Company will not pay more than the greater of

- (1) that portion of any attorney's fees that is calculated by applying the schedule for contested cases in Alaska Rule of Civil Procedure 82(b)(1) to the limit of liability of the applicable coverage; or**
- (2) \$10,000**

This limitation means the potential costs that may be awarded against the Insured as attorney fees may not be covered in full. The Insured will have to pay any attorney fees not covered directly.

Example 1:

The attorney fees provided by the schedule for contested cases in Alaska Rule of Civil Procedure 82(b)(1) are:

- 20% of the first \$25,000 of a judgment;
- 10% of the amounts over \$25,000 of a judgment.

Therefore, if a court awards a judgment against the Insured in the amount of \$1,250,000, in addition to that amount the Insured would be liable for attorney fees of \$127,500 under Alaska Rule of Civil Procedure 82(b)(1), calculated as follows:

20% of	\$25,000	\$5,000
10% of	\$1,225,000	\$122,500
Total Award:	\$1,250,000	Total Attorney Fees: \$127,500

If the limit of liability of the applicable coverage is \$1,000,000, this Company would pay \$1,000,000 of the \$1,250,000 award, less the costs incurred defending the Insured, and none of the attorney fees under Alaska Rule of Civil Procedure 82(b)(1).

The Insured would be liable to pay, directly and without this Company's assistance, the remaining judgment in excess of the remaining policy limit plus the \$127,500 attorney fees under Alaska Rule of Civil Procedure 82.

Name of Insured	Policy Number OX08400205	Effective Date 06/09/09
PACIFIC PILE & MARINE LP		Processing Date 08/10/09 12:16 001

OMGE0102 Ed. 7-05

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* This is not a certified copy of any policy form. * Actual policy provisions may differ. *

Example 2:

The attorney fees provided by the schedule for contested cases under Alaska Rule of Civil Procedure 82(b)(1) are:

- 20% of the first \$25,000 of a judgment;
- 10% of the amounts over \$25,000 of a judgment.

Therefore, if a court awards a judgment against the Insured in the amount of \$650,000, in addition to that amount the Insured would be liable under Alaska Rule of Civil Procedure 82(b)(1) for attorney fees of \$67,500, calculated as follows:

20% of	\$25,000	\$5,000
10% of	\$625,000	\$62,500
Total Award:	\$650,000	Total Attorney Fees: \$67,500

If the limit of liability of the applicable coverage is \$500,000 this Company would pay \$500,000 of the \$650,000 award, less the costs incurred defending the Insured, and \$52,500 of the attorney fees under Alaska Rule of Civil Procedure 82(b)(1), calculated as follows:

20% of	\$25,000	\$5,000
10% of	\$475,000	\$47,500
Total Limit of Liability:	\$500,000	Total Attorney Fees Covered: \$52,500

The Insured would be liable to pay, directly and without this Company's assistance, the judgment in excess of the remaining policy limit plus the remaining \$15,000 for attorney fees under Alaska Rule of Civil Procedure 82 not covered by this policy.

Example 3:

The attorney fees provided by the schedule for contested cases in Alaska Rule of Civil Procedure 82(b)(1) are:

- 20% of the first \$25,000 of a judgment;
- 10% of the amounts over \$25,000 of a judgment.

Therefore, if a court enters a judgment against the Insured in the amount of \$500,000, in addition to that amount the Insured would be liable for attorney fees of \$52,500 under Alaska Rule of Civil Procedure 82(b)(1), calculated as follows:

20% of	\$25,000	\$5,000
10% of	\$475,000	\$47,500
Total Award:	\$500,000	Total Attorney Fees: \$52,500

If the limit of liability of the applicable coverage is \$50,000, this Company would pay \$50,000 of the \$500,000 award less the costs incurred defending the Insured, and \$10,000 of the attorney fees under Alaska Rule of Civil Procedure 82(b)(1), calculated as follows:

20% of	\$25,000	\$5,000
10% of	\$25,000	\$2,500
Total Limit of Liability:	\$50,000	Minimum Limit: \$10,000
		Total Attorney Fees Covered: \$10,000

The Insured would be liable to pay, directly and without this Company's assistance, the judgment in excess of the remaining policy limit plus the remaining \$42,500 for attorney fees under Alaska Rule of Civil Procedure 82 not covered by this policy.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned policy, other than as above stated.

Named Insured

Pacific Pile & Marine, LP
Pacific Pile & Marine Management, Inc.
Cascade Barge & Equipment, LLC
Inland Barge LLC
Saltair Equipment, LLC
Brackinsh Properties, LLC.
Pacific Pile & Marine LP, Limited Partnership
Pacific Pile & Marine Management INC. GP

* This is not a certified copy of any policy form. * Actual policy provisions may differ. *

Name of Insured

Policy Number OX08400205

Effective Date 06/09/09

PACIFIC PILE & MARINE LP

Processing Date 08/10/09 12:16 001

OMGE0500 Ed. 7-05

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Schedule of Vessels

Barge "PAMTAY"

Sien Skiff

Work Skiff

FlexiFloats
(8-10x40)

FlexiFloats
(2-10x20)

Deck Barge IB1
w/ excavator

Work Boat

Barge "MUD PUP"

Tug "NORENE"

Barge "LASH 4"
w/ crane

Barge "CALLIAPOOYA"

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Name of Insured

PACIFIC PILE & MARINE LP

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AIMU U.S. ECONOMIC AND TRADE SANCTIONS CLAUSE

Whenever coverage provided by this policy would be in violation of any U.S. economic or trade sanctions such as, but not limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), such coverage shall be null and void.

Similarly, any coverage relating to or referred to in any certificates or other evidences of insurance or any claim that would be in violation of U.S. economic or trade sanctions as described above shall also be null and void.

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Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned policy, other than as above stated.

Name of Insured	Policy Number OX08400205	Effective Date 06/09/09
PACIFIC PILE & MARINE LP	Processing Date 08/10/09 12:16	001

OMGE0108 Ed. 10-06

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SUBSCRIBERS PAGE

IN WITNESS WHEREOF, the Subscribers hereunder each severally, but not jointly, and not on the part of one for the other or any of the others have caused this policy to be signed by a duly authorized officer, attorney or agency, this 9th day of June , 2009.

<u>INSURER AND POLICY NUMBER</u>	<u>PARTICIPATION</u>	<u>PREMIUM</u>	<u>AUTHORIZED SIGNATURE FOR INSURER AND DATE</u>
St. Paul Fire & Marine Insurance Co. OX08400205	50%	\$28,500	

Firemen's Fund Insurance Co. OXL92001837	50%	\$28,500	
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ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

Name of Insured
PACIFIC PILE & MARINE LP

Effective Date 06/09/09
Processing Date 08/10/09 12:16 001

OMGE0109 Ed. 8-07

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LEAD UNDERWRITER CLAUSE

It is understood and agreed that all Underwriters acknowledge that they will follow the terms as set out by St. Paul Fire and Marine Insurance Company, and shall follow all matters relating to a claim including but not limited to, investigation, adjustment, settlements, legal proceedings, and appointment of investigators, adjusters, surveyors, attorneys or other claim service firms.

However, Underwriters insofar as their proportions of coverage are concerned individually and separately, reserve the right to honor a claim which the lead underwriter may dispute and/or make, or not make, ex-gratia payments insofar as their respective interests are concerned.

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Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned policy, other than as above stated.

Name of Insured	Policy Number OX08400205	Effective Date 06/09/09
PACIFIC PILE & MARINE LP	Processing Date 08/10/09 12:16	001

BUMBERSHOOT POLICY FORM

The Company as hereinafter referenced is St. Paul Fire and Marine Insurance Company, which is a capital stock company based in St. Paul, Minnesota.

Insured as hereinafter referenced is the Named Insured set forth in the Declarations, as well as any other person or organization qualifying as such under Section I. Insuring Agreement, C. Insured.

Other words and phrases which appear throughout this Policy in quotation marks have or include special meaning as set forth under Section IV. Definitions.

The Section or Clause titles or headings are for reference only and have no bearing on the interpretation of the Sections or Clauses. All Sections and Clauses should be read carefully to determine their actual meaning.

In consideration of payment of premium as set forth in the Declarations, and subject to the statements in the Declarations and all the Terms, Conditions, Exclusions and Limits of Liability, this Company agrees with the Named Insured as follows:

I. INSURING AGREEMENT

A. COVERAGE

This Policy shall provide coverage for all sums which the Insured shall become legally obligated to pay for:

- (1) All protection and indemnity risks of whatsoever nature including those covered by the scheduled underlying protection and indemnity insurances or which are absolutely or conditionally undertaken by the United Kingdom Mutual Steam Ship Assurance Association, Limited;
- (2) General average, collision liabilities, towers liabilities, salvage, salvage charges, and sue and labor arising from any cause whatsoever;
- (3) All other sums which the Insured shall become legally liable to pay or by contract or agreement become liable to pay as damages of whatsoever nature, on account of "bodily injury" or "property damage";
- (4) All sums which the Insured shall become legally liable to pay as damages of whatsoever nature, on account of "personal and advertising injury" arising out of the Insured's business and;

caused by an "occurrence" happening, or an offense committed, during the policy period anywhere in the world, except for any country or jurisdiction which is subject to any trade sanction, embargo or similar regulation imposed by the United States of America that prohibits the transaction of business with or within such country or jurisdiction.

Name of Insured

Policy Number OX08400205

Effective Date 06/09/09

PACIFIC PILE & MARINE LP

Processing Date 08/10/09 12:16 001

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B. LIMIT OF LIABILITY

This Company will pay on behalf of the Insured the "Ultimate Net Loss" in excess of either:

- (1) The amount(s) of the limit(s) set out in the underlying insurances identified in the attached "Schedule of Underlying Insurances" (with respect to general average, salvage, salvage charges, and sue and labor expenses, the sum(s) of said expenses actually insured by the underlying policies shall be deemed the amount(s) of the limit(s) of said underlying policies);

or

- (2) The **Self Insured Retention as set forth in the Declarations** in respect of each "occurrence" or offense not covered by said underlying insurances;

(all hereinafter called the Underlying limits), up to the **Limit of Liability as set forth in the Declarations** in respect of each "occurrence" or offense.

Should any of the underlying coverages listed in the "Schedule of Underlying Insurances" be subject to an "annual aggregate limit", then this Policy shall also be subject to an "annual aggregate limit" equal to the Limit of Liability as shown in the Declarations, as respects those coverages.

In the event of the reduction or exhaustion of the "annual aggregate limit" contained in any of the underlying coverages listed in the "Schedule of Underlying Insurances" solely by reason of the payment of losses and/or expenses in respect of "occurrences" which take place, or offenses committed, during the period of this Policy, this Policy shall apply, subject to the terms and conditions of the underlying insurance and the limitations, terms, exclusions, conditions and endorsements set forth in this Policy, in excess of the reduced underlying limit or, if such limit is exhausted, as underlying insurance.

In the event that a loss is covered by more than one Policy listed in the "Schedule of Underlying Insurances", the coverage provided by this Policy shall be excess of the total available limits in the underlying insurances.

The inclusion hereunder of more than one Insured shall not operate to increase this Company's limit of liability.

C. INSURED

- (1) Each of the following is an Insured under this insurance to the extent set forth below:
 - (a) If the Named Insured so designated is an individual, the person so designated but only with respect to the conduct of a business of which he is the sole proprietor and the spouse of the Named Insured with respect to the conduct of such a business;
 - (b) If the Named Insured so designated is a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof, and their spouses, but only with respect to the conduct of the partnership's or joint venture's business;
 - (c) If the Named Insured so designated is a limited liability company, the limited liability company so designated and any member or manager thereof, but only with respect to their duties as members or managers;

- (d) If the Named Insured so designated is not an individual, partnership, joint venture, or limited liability company, the organization so designated and its "executive officers" and directors but only with respect to their duties as officers and directors. Stockholders of the organization are also Insureds, but only with respect to their liability as stockholders.
- (2) Each of the following is also an Insured:
 - (a) "Employees" of the Named Insured, other than "executive officers" (if the Insured is an organization other than an individual, partnership, joint venture, or limited liability company), managers (if the Insured is a limited liability company), temporary workers or borrowed servants, but only for acts within the scope of their employment by the Named Insured or while performing duties related to the conduct of the Named Insured's business;
 - (b) Any person (other than an "employee" of the Insured) or any organization, while acting as real estate manager for the Named Insured;
 - (c) Any person or organization having proper temporary custody of the Named Insured's property in the event of the Named Insured's death, but only with respect to liability arising out of the maintenance or use of that property, and until the Named Insured's legal representative has been appointed;
 - (d) The Named Insured's legal representative in the event of the Named Insured's death, but only with respect to their duties as such. Said legal representative shall have all of the Named Insured's rights and duties under this Policy.
- (3) Unnamed Joint Ventures:

With respect to the conduct of any partnership or joint venture of which the Named Insured is a partner or member and which is not shown in the Declarations of this Policy as a Named Insured, this Policy will respond, subject to the limits of liability herein, for that amount of a covered claim for which the Named Insured is directly liable. But such coverage as is afforded by this clause shall apply only in excess of similar coverage provided for in a Policy listed in the "Schedule of Underlying Insurances". In the absence of valid and collectible underlying insurance listed in "Schedule of Underlying Insurances", coverages hereunder shall not apply.
- (4) Persons or Entities insured as respects the ownership or operation of Autos or Aircraft, if applicable:

With respect to any "automobile" owned by the Named Insured or hired for use on behalf of the Named Insured, or to any "aircraft" owned by the Named Insured or hired for use on behalf of the Named Insured, any person while using such "automobile" or "aircraft" and any person or organization legally responsible for the use thereof, provided the actual use of the "automobile" or "aircraft" is with the permission of the Named Insured. The coverage extended by this clause (4) shall not apply:

 - (a) To any person or organization, or to any officer, director, "employee", or agent thereof, operating an automobile repair shop, public garage, sales agency, service station, or public parking place, with respect to any "occurrence" arising out of the operation thereof;
 - (b) To any manufacturer of "aircraft", aircraft engines, or aviation accessories, or any aviation sales or service or repair organization or airport or hangar operator or their respective officers, directors,

"employees", or agents, with respect to any "occurrence" arising out of the operation thereof;

- (c) With respect to any hired "automobile" or "aircraft", to the owner thereof or any officer, director, or "employee" of such owner;
- (d) Unless coverage is provided for "automobiles" or "aircraft" in a Policy listed in the "Schedule of Underlying Insurances", and then only excess of and to the extent of such coverage.

II. EXCLUSIONS

A. GENERAL EXCLUSIONS

This Policy shall not apply to any loss, damage, injury or expense arising out of:

(1) Asbestos, Lead, Biphenyl, Silica, Benzene

- (a) The actual, alleged or threatened absorption, ingestion or inhalation of asbestos, lead, biphenyl, silica or benzene, in any form by any person, or existence of asbestos, lead, biphenyl, silica or benzene in any form;
- (b) The actual, alleged or threatened absorption, ingestion or inhalation of any other solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, spoils, fumes, acids, alkalis, petroleum products or derivatives, chemicals, sewerage, and waste materials or substances, in any form by any person, or existence of any such irritant or contaminant in any form, and that is part of any claim or "suit" that also alleges any loss, injury, damage or expense described in paragraph (a) of this exclusion;
- (c) Any request, demand, order or statutory or regulatory requirement:
 - (i) to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize asbestos, lead, biphenyl, silica or benzene in any form;
 - (ii) to respond to, or assess, in any way the effects of asbestos, lead, biphenyl, silica or benzene in any form.

(2) Breach of Fiduciary Duty

Any actual or alleged breach of fiduciary duty, improper conduct, or conflict of interest in the Insured's performance of duties or responsibilities in the capacity of Officer, Director or Trustee of a corporation.

(3) Claims Made by Foreign, National, State or Local Government

Any claim made by a foreign, national, state, or local government, sub-divisions or agencies thereof, unless the claim is for damages occasioned by actual or alleged "bodily injury" or "property damage".

(4) Discrimination, Humiliation

The violation of any statute, law, ordinance, or regulation prohibiting discrimination or humiliation of any nature whatsoever, including discrimination or humiliation based on race, color, creed, religion, sex, age, national origin, alienage, handicap, disability or sexual orientation.

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(5) Drilling Rigs, Barges, Tenders, and Platforms

Ownership, use, or operation of drilling rigs, drilling barges, drilling tenders, platforms, flow lines, gathering stations and/or pipe lines, but this exclusion shall not apply to craft servicing the foregoing such as supply, crew, or utility boats, tenders, tugs, or to craft listed on the "Schedule of Vessels".

(6) Employee Retirement Income Security Act

The Employee Retirement Income Security Act of 1974 (ERISA), as amended or any similar or superseding laws.

(7) Employment-Related Practices

Any actual or alleged unlawful acts, whether such acts are alleged to be intentional or otherwise, or any violation of or non-compliance with statutes, laws, ordinances, or regulations, regarding or related to:

- (a) Any refusal to employ or retraction of any employment offer;
- (b) Any suspension or termination of employment of any "employee" of the Insured, including wrongful discharge of "employees";
- (c) Any employment-related practices, policies, acts or omissions such as:
 - (i) The coercion, demotion, evaluation, reassignment, discipline, civil or criminal prosecution, defamation, harassment, or humiliation of any "employee" of an Insured;
 - (ii) Discrimination or harassment of any nature whatsoever against any "employee" of an Insured, including discrimination based on race, color, creed, religion, sex, age, national origin, alienage, handicap, disability, or sexual orientation;
- (d) Actual or alleged violations of the Americans with Disabilities Act;
- (e) Any liability to the spouse, child, parent, brother or sister, or other relative, or dependent of, any "employee" as a consequence of the foregoing;
- (f) Any employment practices related liability to former "employees", including actual or alleged statements and/or disclosures regarding the services of former "employees";
- (g) Actual or alleged violations of the Civil Rights Act of 1964, as amended.

This exclusion (7) applies:

- (i) Whether the Insured is liable as an employer or in any other capacity; and
- (ii) To any obligation to share damages with or repay someone else who must pay damages because of the loss, injury, damage or expense.

(8) Expected or Intended by the Insured

Except to the extent coverage is provided in the "Schedule of Underlying Insurances", and then only excess thereof, "bodily injury" or "property damage" expected or intended from the standpoint of any Insured.

(9) Failure of Insured's Products or Work

Failure of an Insured's products, or work completed by or for an Insured, to perform the function or serve the purpose intended or warranted by the Insured.

(10) Fines, Penalties, Punitive Damages

Any fines, penalties, punitive damages, exemplary damages, or the portion of any multiplied damages award that exceeds the amount multiplied.

(11) Fraud, Infidelity, Dishonesty, Criminal Acts

Fraud, infidelity, dishonesty, and/or criminal acts of any insured or any representative or "employee" of an insured committed individually or in collusion with others.

(12) Intentional Non-Compliance with Laws, Statutes or Regulations

Any intentional non-compliance with any law, statute or regulation unless such claim be for damages occasioned by actual or alleged "bodily injury" or "property damage".

(13) Liabilities to Seamen

Any liability to "employees" of the Insured, under the Jones Act (Merchant Marine Act of 1920), Death on the High Seas Act, General Maritime Law, Federal Employer's Liability Act, or any similar laws applicable to seamen, occurring on any vessel owned, chartered, leased or rented by the Insured; except to the extent that coverage is provided in the Protection & Indemnity or Maritime Employers Liability coverages contained in the "Schedule of Underlying Insurances", and then only excess thereof.

(14) Mold or Other Fungi, or Bacteria

- (a) The actual, alleged or threatened absorption, ingestion or inhalation of mold or other fungi, or bacteria, in any form by any person, and/or the existence of any mold or other fungi, or bacteria, in any form.

To the extent coverage is provided in the "Schedule of Underlying Insurances", and then only excess thereof, this exclusion, (14) (a), does not apply to:

- (i) "Bodily injury" or "property damage" arising out of mold or other fungi, or bacteria, which are part of a product that is intended to be consumed as a food, beverage, or medicine;
 - (ii) "Bodily injury" arising out of bacteria which are directly transmitted solely by or from another person to the person sustaining such "bodily injury"; or
 - (iii) "Bodily injury" arising out of a bacterial infection which develops in connection with a preceding "bodily injury" to that same person that is not excluded by this exclusion (14) (a).
- (b) The actual, alleged or threatened absorption, ingestion or inhalation of any other solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, spoils, fumes, acids, alkalis, petroleum products or derivatives, chemicals, sewerage, and waste materials or substances, in any form by any person, and/or existence of any such irritant or contaminant in any form, and that is part of any claim or

"suit" that also alleges any loss, injury, damage or expense described in paragraph (a) of this exclusion.

- (c) Any request, demand, order or statutory or regulatory requirement:
 - (i) To test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize mold or other fungi, or bacteria, in any form;
 - (ii) To respond to, or assess, in any way the effects of mold or other fungi, or bacteria, in any form.

As used in this exclusion (14):

"Mold or other fungi" means any type or form of mold, mildew, or other fungus, and/or any mycotoxin, spore, scent, or byproduct that is produced or released by such mold, mildew or other fungus.

"Bacteria" means any type or form of bacterium, and/or any mycotoxin, spore, scent, or byproduct that is produced or released by such bacterium.

(15) Non-Payment or Delay of Debt

Any claim for non-payment or delay in payment of charter hire, loans, mortgages, promissory notes, checks, drafts, or any other evidence of debt.

(16) Occupational Disease

Except to the extent coverage is provided in the Protection & Indemnity, Maritime Employers Liability or Employers Liability coverages contained in the "Schedule of Underlying Insurances", and then only excess thereof, "bodily injury" of any person due to occupational and/or industrial diseases and/or injuries gradually contracted from the character of the person's present or prior employment, because thereof, and incidental thereto, and whether or not such employment be in the service of the Insured or otherwise.

(17) Patent Infringement

Infringement of any patent; unauthorized use of trademark, service mark, or trade name; for infringement of any copyright; misappropriation of design, drawing, process or procedure.

(18) Personal and Advertising Injury

"Personal and advertising injury" as respects:

- (a) oral, written or electronic publication of material, if done by or at the direction of the Insured with knowledge of its falsity;
- (b) oral, written or electronic publication of material whose first publication took place before the beginning of the policy period;
- (c) the willful violation of a penal statute or ordinance committed by or with the consent of the Insured;
- (d) liability assumed by the Insured in a contract or agreement. This exclusion, (d), does not apply to liability for damages that the Insured would have in the absence of the contract or agreement;

- (e) the failure of goods, products or services to conform with advertised quality or performance;
- (f) breach of contract, but this shall not apply to claims for unauthorized appropriation of ideas based upon alleged breach of an implied contract;
- (g) incorrect description or labeling of any article or commodity;
- (h) mistake in advertised price;
- (i) an electronic chatroom or bulletin board the Insured hosts, owns or over which the Insured exercises control;
- (j) the unauthorized use of another's name or product in the Insured's e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers;
- (k) failure to adhere to the national do not call list;
- (l) unauthorized dissemination/disclosure of personal information.

(19) Pollution

The actual, alleged or threatened seepage, discharge, dispersal, disposal or dumping, release, migration, emission, spillage, escape, or leakage of "pollutants" into or upon land, atmosphere, environment, or any watercourse or body of water, as well as:

- (a) Any cost or expense imposed upon or assumed by the insured, or arising out of any request, demand or order upon any insured or others, or arising out of any claim or "suit" brought by or on behalf of a governmental authority, in connection with testing for, monitoring, evaluating, controlling, cleaning up, removing, containing, treating, detoxifying, nullifying, neutralizing, or in any way responding to, or assessing the effects of, "pollutants";
- (b) Any cost or expense imposed upon or assumed by the insured, or arising out of any request, demand or order upon any insured or others, or arising out of any claim or "suit" brought by or on behalf of a governmental authority, in connection with damage to or degradation of natural resources, including fish, animals, vegetation, and other life form inhabitants, and/or to the environment, including costs of assessing whether and to what extent such damage or degradation has occurred, costs of evaluating, monitoring, controlling, removing and/or nullifying such damage or degradation, and costs of replacing, replenishing and/or acquiring the equivalent of damaged or degraded natural resources;
- (c) Any loss, injury, damage or expense arising out of "pollutants" which were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom the insured may be legally responsible.

(20) Professional Liability, Errors and Omissions

Any error or omission, malpractice or mistake in the performance of professional services committed or alleged to have been committed by or on behalf of the Insured in the conduct of any of the Insured's business activities. Professional services include the preparation or approval of: maps, plans, opinions, reports, surveys, designs or specifications, inspections, and other similar items.

(21) Securities Acts

Any alleged violation(s) of any federal or state law regulating, controlling and governing stock, bonds or securities of any type or nature, including without limitation the Securities Act of 1933, the Securities Act of 1934, the Sherman Anti-Trust Act, the Robinson-Patman Anti-Trust Act, the Clayton Anti-Trust Act, the Hart-Scott-Rodino Act, as amended, or any similar or superseding laws, and blue-sky laws or statutes.

(22) Stockholder's Derivative Action

Any stockholder's derivative action.

(23) Uninsured Motorists, Underinsured Motorists or Automobile No-Fault Laws

Any liability or obligation of the Insured under any "automobile":

- (a) uninsured motorist;
- (b) underinsured motorists; or
- (c) no-fault or other first party benefits law.

(24) Violation of Trade Law

Any actual or alleged violation of any securities, antitrust, restraint of trade, unfair competition, deceptive trade practices, or consumers protection statutes or limitations.

(25) War

- (a) War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, or military or usurped power, or confiscation, nationalization, requisition, destruction of, or damage to property by, or under the order of, any government or public or local authority.
- (b) Nevertheless, this exclusion shall not apply, except as provided in sub-division (c) below, to liabilities:
 - (i) arising in connection with vessels owned, chartered, hired, or otherwise used by the Insured;
 - (ii) arising out of property of any kind in transit by land, water, or air during such periods as would be covered for full war risks under an insurance covering physical loss of or damage to cargo subject to the London or American Institute War Clauses relevant to the particular form of transit;
 - (iii) arising out of any waterborne operations;
 - (iv) to seamen;
 - (v) for death of, or "bodily injury" to, persons of any kind.
- (c) Notwithstanding the provisions of sub-division (b), the clause set out in sub-division (a) shall apply to the liabilities in sub-division (b):
 - (i) Unless applied sooner under the provisions of sections (ii) or (iii) of this sub-division (c), automatically upon and simultaneously with

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the outbreak of war (whether there be a declaration of war or not) between any of the following countries: United States of America, United Kingdom (or any other member of the British Commonwealth), France, the Former Union of Soviet Socialist Republics, and the People's Republic of China;

- (ii) At any time at the Named Insured's request, or by this Company giving 14 days written notice to the Named Insured, but in no event shall such notice affect or postpone the operation of the provisions of sections (i) and (iii) of this sub-division (c). Written notice sent to the Insured at its last known address shall constitute a complete notice, and such notice mailed, telexed, telefaxed, or telegraphed to the Insured, care of the broker that negotiated this Policy, shall have the same effect as if sent to the Insured directly. The sending of notice as aforesaid shall be sufficient proof of notice and the effective date and hour of the operation of the clause set out in sub-division (a) above shall be 14 calendar days from midnight of the day on which such notice was sent. This Company agrees, however, that the clause set out in sub-division (a) above shall not apply if, prior to the effective date and hour, this Company and the Insured agree as to the additional premium and/or new conditions and/or warranties;
- (iii) Unless sooner terminated under the provisions of sections (i) or (ii) of this sub-division (c), automatically in respect of an insured vessel if and when such vessel is requisitioned, either for title or use, by the Government of the United States, or of the country in which the vessel is owned or registered, or of the country in which any such right of requisition is vested.
- (d) If, subsequent to the agreement of an additional premium as provided by section (ii) of sub-division (c), either the Insured or this Company again elect to exercise the option provided therein, or section (i) or (iii) of subdivision (c) becomes operative, pro rata net return of the additional premium paid shall be refunded to the Insured. Such return premium will be paid on demand or as soon thereafter as practicable to do so.

(26) Workers Compensation and Similar Acts

Any obligation for which the Insured or any carrier as his insurer may be held liable under Workers Compensation, Unemployment Compensation, Disability Benefits, the Longshoremen and Harbor Workers Compensation Act, or under any similar law or act.

B. CONDITIONAL EXCLUSIONS

These Conditional Exclusions shall not apply to liability arising out of the Insured's activities involving ownership, charter, use, operation, maintenance, loading or unloading of, or as a bailee of, any watercraft not otherwise excluded or limited elsewhere in this Policy.

Unless coverage is provided for in an underlying policy listed in the "Schedule of Underlying Insurances", and then this Policy shall only operate as excess thereof, this Policy shall not apply to any loss, damage, injury or expense arising out of:

(1) Automobile or Aircraft

The ownership, maintenance, operation, use, entrustment to others, loading or unloading of any "automobile" or "aircraft".

(2) Bodily Injury to Co-Employee

"Bodily injury" to an "employee" committed by another "employee" of the same Insured injured in the course of such employment.

(3) Care, Custody and Control

Property while in the care, custody or control of the Insured.

(4) Completed Operations

The Insured's operations, if the "occurrence" takes place after such operations have been completed or abandoned and occurs away from premises owned, rented, or controlled by the Insured; provided that operations shall not be deemed incomplete because improperly or defectively performed or because further operations may be required pursuant to agreement; provided further that this paragraph shall not apply to the following Insured's operations:

- (a) pick-up or delivery, except from or onto a railroad car;
- (b) the maintenance of any "automobile" or "aircraft" owned or used by or on behalf of the Insured;
- (c) the existence of tools, uninstalled equipment and abandoned or unused materials.

(5) Contractual Liability

Assumed under contract.

(6) Products Liability

Goods or products manufactured, sold, handled, distributed, or disposed of by the Insured, or by others trading under its name, if the "occurrence" occurs after possession of such goods or products has been relinquished to others by the Insured, or by others trading under its name, and if such "occurrence" occurs away from premises owned, rented, or controlled by the Insured.

III. GENERAL CONDITIONS

A. ADDITIONAL INSURED

In the event of Additional Insureds being added to any Policy listed in the "Schedule of Underlying Insurances" during the currency of this Policy, coverage shall be provided hereunder for such Additional Insureds, subject to the following:

- (1) Such coverage shall apply only in excess of similar coverage provided for in a Policy listed in the "Schedule of Underlying Insurances". In the absence of valid and collectible underlying insurance listed in "Schedule of Underlying Insurances", coverages hereunder shall not apply;
- (2) When Additional Insureds are added to a Policy listed in the "Schedule of Underlying Insurance" due to the requirements of a written or oral contract, such coverage shall apply only when contract conditions between the Named Insured and the referenced Additional Insured so require, and only insofar as is necessary to meet the requirements of such contract conditions;

- (3) This Policy will not insure or defend any claims for liabilities arising out of the sole fault or sole negligence of the Additional Insured;
- (4) Coverage provided hereunder for Additional Insureds is further subject to all of the exclusions and limitations contained elsewhere in this Policy;
- (5) The inclusion of Additional Insureds shall not increase the per "occurrence" or offense limit and/or "annual aggregate limit" of liability under this Policy;
- (6) In the event of a cancellation or change in Policy coverage, unless specifically endorsed in writing to the contrary hereon, no obligation is imposed on this Company to send notice of cancellation or change of coverage to an Additional Insured.

B. APPEALS

In the event the Insured or the Insured's "Underlying Insurers" elect not to appeal a judgment in excess of any Underlying Limits, this Company may elect to make such appeal at their cost and expense, and shall be liable for the taxable costs and disbursements and interest incidental thereto, but in no event shall the liability of this Company for "Ultimate Net Loss" exceed the amount set forth in Section I. Insuring Agreement, B. Limit of Liability for any one "occurrence" or offense and, in addition, the cost and expense of such appeal plus the taxable costs and disbursements and interest incidental thereto.

C. ASSIGNMENT

The assignment of any interest under this Policy shall not bind this Company until its written consent to such assignment is added to this Policy by endorsement.

D. ASSISTANCE AND COOPERATION

This Company shall not be called upon to assume charge of the settlement or defense of any claim made or "suit" brought or proceeding instituted against any Insured, but this Company shall have the right and shall be given the opportunity to associate with the Insured or the Insured's "Underlying Insurers", or both, in the defense and control of any claim, "suit", or proceeding relative to an "occurrence" or offense where the claim, "suit", or proceeding involves or appears reasonably likely to involve this Company, in which event the Insured, the "Underlying Insurers", and this Company shall cooperate in all things in the defense of such claim, "suit", or proceeding, but this Company shall have the right to make such investigation, negotiation, and settlement of any claim or "suit" as may be deemed expedient by this Company.

E. BANKRUPTCY OR INSOLVENCY

In the event of the bankruptcy or insolvency of any Insured, or any entity comprising the Insured, this Company shall not be relieved of its obligations under this Policy.

F. CANCELLATION

This Policy may be cancelled by the Named Insured by mailing to the Company written notice stating when thereafter such cancellation shall be effective. This Policy may be cancelled by the Company by mailing to the Named Insured at the address shown on the Declarations, written notice of cancellation, at least **as set forth in the Declarations** days before the effective date of cancellation. In the event of non-payment of premium, written notice of cancellation shall be **as set forth in the Declarations** days before the effective date of cancellation. If the Named Insured cancels, earned premium

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shall be computed in accordance with the customary short rate table and procedure. If the Company cancels, earned premium shall be computed pro rata.

In the event of any underlying war risk insurance being cancelled, such cancellation shall simultaneously cancel any applicable excess coverage provided by this Policy.

G. CONFLICTING STATUTES

In the event that any provision of this Policy is unenforceable by the Insured under the laws of any State or other jurisdiction wherein it is claimed that the Insured is liable for any injury covered hereby, because of non-compliance with any statute thereof, then this Policy shall be enforceable by the Insured with the same effect as if it complied with such statute.

H. CROSS LIABILITY

In the event of an Insured incurring liability to any other Insured, this Policy shall cover that Insured against whom claim is or may be made in the same manner as if separate policies had been issued to each Insured. Nothing contained herein shall operate to increase this Company's limit of liability as set forth in Section I. Insuring Agreement, B. Limit of Liability.

I. CURRENCY

All premiums due under this Policy are payable in United States currency. With respect to claims, all amounts recoverable under this Policy which have been incurred in foreign currencies shall be payable in United States currency computed at the current rate of exchange on the date of payment of the claim.

J. GEOGRAPHICAL LIMITS

This Policy covers the operations of the Insured anywhere in the world.

K. INSOLVENCY OF PRIMARY INSURER

In the event of the bankruptcy or insolvency or inability to pay of any underlying insurer, or in the event of an Insured's inability to pay the amount of any loss from any self-insured retention established by or for the Insured, the insurance afforded under this Policy shall apply only in excess of the applicable limit of liability set forth in the Schedule of Underlying Insurance as if such bankruptcy, insolvency, or inability to pay had not occurred. Under no circumstances shall this Company be required to drop down and assume the obligations of any underlying insurer, who is bankrupt, insolvent or for any reason unable to pay losses and/or expenses.

L. MAINTENANCE OF UNDERLYING INSURANCE

- (1) It is a condition of this Policy that the Policy or policies referred to in the attached "Schedule of Underlying Insurances" shall be maintained in full effect during the currency of this Policy except for any reduction of the aggregate limit or limits contained therein solely by payment of claims in respect of "occurrences" which take place, or offenses which are committed, during the period of this Policy.
- (2) Inadvertent failure of the Insured to comply with sub-division (1) above, or inadvertent failure to notify this Company of any changes in the underlying insurances, shall not prejudice the Insured's rights of recovery under this Policy; but in the event of such failure, this Company is to be liable only to the same extent as it would have been had the Insured complied with sub-division (1) above.

- (3) The Insured shall give this Company prompt written notice as soon as practicable of any change in the status or scope of coverage or in the amount of any "Underlying Insurer's" policy.

M. NOTICE AND DUTIES IN THE EVENT OF CLAIM

Whenever the Insured has information from which it may reasonably be concluded that an "occurrence" or offense likely to involve this Policy has happened, notice shall be sent to this Company as soon as practicable. Notice should include: how, when and where the "occurrence" or offense took place and the names and addresses of any injured persons and witnesses.

If a claim is made or "suit" is brought against any Insured which may result in a claim against this insurance, the Insured must give this Company prompt written notice of the claim or "suit".

However, the failure to notify this Company of any "occurrence" or offense which at the time of its happening did not appear to involve this Policy, but which at a later time would appear to give rise to claims hereunder, shall not prejudice such claims.

N. OTHER INSURANCE

If other valid and collectible insurance with any other insurer is available to the Insured covering a loss or expense also covered by this Policy, other than insurance that is in excess of the insurance afforded by this Policy, the insurance afforded by this Policy shall be in excess of and shall not contribute with such other insurance, either as double insurance or otherwise. Nothing herein shall be construed to make this Policy subject to the terms, conditions, and limitation of any such other insurance.

O. POLICY PERIOD

The Policy period shall be the duration of time as set forth in the Declarations attached to this Policy, during which coverage is in force hereunder, unless sooner terminated as provided under Clause F. Cancellation, of this Section.

P. SUBROGATION

This Company will act in concert with all other interests (including the Insured) concerned in the exercise of any rights of recovery. The apportioning of any amounts which may be so recovered shall follow the principle that any interests (including the Insured) that shall have paid an amount over and above any payment under this Policy shall first be reimbursed up to the amount paid by them; this Company is then to be reimbursed out of any balance then remaining up to the amount paid under this Policy; lastly, the interests (including the Insured) of whom this coverage is in excess are entitled to claim the residue, if any. Expenses necessary to the recovery of any such amounts shall be apportioned between the interests (including the Insured) concerned, in the ratio of their respective recoveries as finally settled.

Q. SUITS AGAINST THIS COMPANY

No action shall lie against this Company for the recovery of any loss sustained by any Insured unless such action is brought against this Company within one year after the final judgment or decree is entered in the litigation against the Insured, or in case the claim against this Company accrues without the entry of such final judgment or decree, unless such action is brought within one year from the date of the payment of such claim; provided, however, that where such limitations of time are prohibited by the laws of the State wherein this Policy is issued, then and in that event no action under this Policy shall be sustainable

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unless commenced within the shortest limitation permitted under the laws of such State.

R. VESSELS INSURED

If this Policy includes a "Schedule of Vessels", then only those vessels listed thereunder are covered by this Policy.

Additional vessels added to any Policy in the "Schedule of Underlying Insurances" by means of an automatic attachment clause shall be deemed to be similarly added to coverage hereunder provided that written notice is given to this Company within 30 days of attachment, or as provided for in the underlying coverage, whichever is greater. Vessels deleted from any Policy in the "Schedule of Underlying Insurances" are simultaneously deleted from this Policy.

Additions to the "Schedule of Vessels" hereunder may be subject to an additional premium to be agreed.

In the event of a change of ownership or management of a vessel insured hereunder to a party not already included as an Insured, coverage upon that vessel shall cease unless the change is noted and agreed to by the "Underlying Insurers", in which case notice of such change shall be communicated to this Company hereunder promptly.

IV. DEFINITIONS

A. ADVERTISEMENT

Advertisement means a notice that is broadcast or published to the general public or specific market segments about the Named Insured's goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

- (1) Notices that are published include material placed on the Internet or on similar electronic means of communication; and
- (2) Regarding web-sites, only that part of a web-site that is about the Named Insured's goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

B. AIRCRAFT

Aircraft means any heavier-than-air or lighter-than-air craft designed to transport persons or property via air. The foregoing does not apply to hovercraft.

C. ANNUAL AGGREGATE LIMIT

Annual Aggregate Limit means the total amount payable during an annual policy period regardless of the number of claims, "occurrences" or offenses during said annual period.

D. AUTOMOBILE

Auto or Automobile means a land motor vehicle, trailer or semi trailer, designed for travel on public roads, including any attached machinery or equipment.

E. BODILY INJURY

Bodily injury means any physical harm, including sickness or disease to the physical health of a person.

This Company will consider any of the following that happens at any time to be part of such physical harm, sickness or disease, if it results in or from such physical harm, sickness or disease:

- (1) Mental anguish, injury or illness;
- (2) Emotional distress;
- (3) Care, loss of services, or death.

F. EMPLOYEE

Employee means any person performing services for an Insured through employment arrangements of any type, including any person described as a leased worker, temporary worker, or borrowed servant.

G. EXECUTIVE OFFICER

Executive officer means a person holding any of the officer positions created by the Named Insured's charter, constitution, by-laws or any other similar governing document.

H. OCCURRENCE

The word occurrence, wherever used in this Policy, means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

I. PERSONAL AND ADVERTISING INJURY

Personal and advertising Injury means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- (1) False arrest, detention or imprisonment;
- (2) Malicious prosecution;
- (3) The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- (4) Oral, written or electronic publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- (5) Oral, written or electronic publication, in any manner, of material that violates a person's right of privacy;
- (6) The use of another's advertising idea in the Named Insured's "advertisement"; or
- (7) Infringing upon another's copyright, trade dress or slogan in the Named Insured's "advertisement".

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J. POLLUTANTS

Pollutants means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, petroleum products or derivatives, chemicals, sewerage, spoils, and waste materials or substances. Waste materials or substances includes materials to be recycled, reconditioned or reclaimed.

K. PROPERTY DAMAGE

Property damage means:

- (1) Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- (2) Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

L. SCHEDULE OF UNDERLYING INSURANCES

The words Schedule of Underlying Insurances, wherever used in this Policy, means those insurance policies listed on the schedule attached to this Policy.

M. SCHEDULE OF VESSELS

The words Schedule of Vessels, wherever used in this Policy, mean those watercraft listed on the schedule attached to this Policy.

N. SUIT

Suit means a civil proceeding in which damages to which this insurance applies are alleged. Suit includes:

- (1) An arbitration proceeding in which such damages are claimed and to which the Insured must submit or does submit with our consent; or
- (2) Any other alternative dispute resolution proceeding in which such damages are claimed and to which the Insured submits with our consent.

O. ULTIMATE NET LOSS

The terms Ultimate Net Loss, means the total sum which the Insured becomes obligated to pay by reason of matters set out in Section I. Insuring Agreement, A.. Coverage, including compromise settlements, and shall include hospital, medical, and funeral charges and all sums paid as salaries, wages, compensation, fees, charges, and law costs, premiums on attachment or appeal bonds, interest, expenses for doctors, lawyers, nurses, and investigators and other persons, and for litigation, settlement, adjustment, and investigation of claims and "suits" which are paid as a consequence of any "occurrence" or offense covered hereunder, excluding however, the salaries of the Insured's regular officers and "employees" and general office overhead and also excluding any part of such expenses for which the Insured is covered by other valid and collectible insurance.

P. UNDERLYING INSURERS

The words Underlying Insurers, wherever used in this Policy, means those insurers subscribing to the policies listed in the "Schedule of Underlying Insurances".

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BUMBERSHOOT POLICY FORM

SCHEDULE OF UNDERLYING INSURANCES

Coverage	Company	Policy Number	Limit of Liability	Effective Dates
Protection & Indemnity/Towers/Collision	St. Paul Fire & Marine Insurance Co.	OH08400495	\$1,000,000	06/09/2009 to 06/09/2010
Marine General Liability	St. Paul Fire & Marine Insurance Co.	OL08400599	\$1,000,000 Occurrence \$2,000,000 Aggregate	06/09/2009 to 06/09/2010
MEL / EL	SeaBright Insurance Co	BB1091932	\$1,000,000	06/09/2009 to 06/09/2010
Automobile Liability	St. Paul Fire & Marine Insurance Co.	BA-5567N683	\$1,000,000	06/09/2009 to 06/09/2010
Vessel Pollution	WQIS	4150691	\$5,000,000	06/09/2009 to 06/09/2010

Name of Insured	Policy Number	Effective Date
PACIFIC PILE & MARINE LP	OX08400205	06/09/09
	Processing Date	08/10/09 12:16 001

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Coverage	Company	Policy Number	Limit of Liability	Effective Dates

BUMBERSHOOT POLLUTION LIABILITY

It is hereby understood and agreed that the following is added to General Exclusion (19) of this Policy:

1. Pollution Emanating From Watercraft

With respect to pollution emanating from watercraft:

- Owned by the Named Insured, or
- Leased or chartered on a bareboat basis by the Named Insured

- (1) This exclusion shall not apply, except as provided in sub-division 1.(2) below, if such loss, damage, injury or expense is covered by valid and collectible underlying insurance listed in the "Schedule of Underlying Insurances" for the full limit shown therein, and then any coverage provided by this Policy for such loss, damage, injury or expense will be on a following-form excess basis and subject to the limitations of said Underlying Insurance.
- (2) Notwithstanding the provisions of sub-division 1.(1) above, this exclusion shall apply and there shall be no coverage under this Policy for:
 - (a) Any loss, damage, injury or expense paid or incurred in consequence of any such pollution unless proximately caused by fault on the part of the Insured; or
 - (b) Any fines, penalties, punitive damages, exemplary damages, or the portion of any multiplied damages award that exceeds the amount multiplied, whether imposed pursuant to statute or otherwise;
 - (c) Any costs of criminal defense.

2. Pollution Emanating From Sources Other Than Watercraft

With respect to pollution emanating from sources other than watercraft:

- Owned by the Named Insured, or
- Leased or chartered on a bareboat basis by the Named Insured

- (1) This exclusion shall not apply, except as provided in sub-division 2.(2) below, provided that the Insured establishes that all of the following conditions have been met:
 - (a) Such loss, damage, injury or expense is covered by valid and collectible underlying insurance listed in the "Schedule of Underlying Insurances", for the full limit shown therein, and then any coverage provided by this Policy for such loss, damage, injury or expense will be on a following-form excess basis and subject to the limitations of said Underlying Insurance;
 - (b) The accident was caused by some intervening event and was neither expected nor intended by the Insured;

Name of Insured
PACIFIC PILE & MARINE LP

Policy Number OX08400205

Effective Date 06/09/09

Processing Date 08/10/09 12:16 001

OMBU0100 Ed. 2-07

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- (c) The accident can be identified as commencing at a specific time and date during the policy period of this Policy;
 - (d) The accident became known to the Insured within 72 hours after its commencement, and was reported to this Company within 30 days thereafter;
 - (e) The accident did not result from the Named Insured's intentional and willful violation of any government statute, rule or regulation.
- (2) Notwithstanding the provisions of sub-division 2.(1) above, this exclusion shall apply and there shall be no coverage under this Policy for:
- (a) Loss of, damage to or loss of use of property directly or indirectly resulting from subsidence caused by sub-surface operations performed by or on behalf of the Insured;
 - (b) Removal of, loss of or damage to sub-surface oil, gas or any other substance;
 - (c) Fines, penalties, punitive damages, exemplary damages, or the portion of any multiplied damages award that exceeds the amount multiplied;
 - (d) Costs of criminal defense;
 - (e) Losses resulting from blowout and/or cratering;
 - (f) Pollution emanating from watercraft which is owned by, leased by, or bareboat chartered to the Insured;
 - (g) Any site or location used in whole or in part for the handling, processing, treatment, storage, disposal or dumping of any waste materials or substances, or the transportation of any waste materials or substances,

except this exclusion shall not apply to:

The incidental handling, storage or transportation of waste materials or substances which occurs at the maritime facilities designated in coverage contained in the Scheduled Underlying Insurance, in connection with covered operations; however any coverage provided by virtue of this exception shall be strictly excess of Scheduled Underlying Insurance.

The insurance afforded by this Endorsement shall not increase the limit of this Company's liability under this Policy.

OIL POLLUTION ACT DISCLAIMER CLAUSE

This insurance does not constitute evidence of financial responsibility under the Oil Pollution Act of 1990 or any similar Federal or State Law, and it is a condition of this insurance that it shall not be submitted to the United States Coast Guard or any other Federal or State Agency as evidence of financial responsibility. This Company does not consent to be a guarantor.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned policy, other than as above stated.

**TERRORISM RISK INSURANCE ACT
CERTIFIED ACTS OF TERRORISM EXCLUSION ENDORSEMENT**

It is hereby understood and agreed that:

1. The following exclusion is added to II. A. General Exclusions:

(1) Terrorism

Any liability for loss, injury, damage or expense arising out of any "certified act of terrorism".

As used in this exclusion:

"**Certified Act of Terrorism**" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a certified act of terrorism include the following:

- The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
- The act is a violent act or an act that is dangerous to human life, property, or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned policy, other than as above stated.

Name of Insured

PACIFIC PILE & MARINE LP

Policy Number OX08400205

Effective Date 06/09/09

Processing Date 08/10/09 12:16 001

POLICY CHANGE ENDORSEMENT - FOR CERTAIN TYPES OF CHANGES ONLY

The St Paul

This endorsement summarizes certain changes to your policy. All other terms of your policy not affected by these changes remain the same.

How Your Policy Is Changed

The following item(s):

- | | |
|---|--|
| <input type="checkbox"/> Insured's Name | <input type="checkbox"/> Insured's Mailing Address |
| <input type="checkbox"/> Policy Number | <input type="checkbox"/> Company |
| <input type="checkbox"/> Effective/Expiration Date | <input type="checkbox"/> Insured's Legal Status/ Bus. of Insured |
| <input type="checkbox"/> Payment Plan | <input type="checkbox"/> Premium Determination |
| <input type="checkbox"/> Additional Interested Parties | <input type="checkbox"/> Coverage Forms and Endorsements |
| <input type="checkbox"/> Limits/Exposures | <input type="checkbox"/> Deductibles |
| <input checked="" type="checkbox"/> Covered Property/Location Description | <input type="checkbox"/> Classification/Class Codes |
| <input type="checkbox"/> Rates | <input type="checkbox"/> Underlying Insurance |

is (are) changed to read: (See also back page and additional page(s) if applicable)

Effective June 9, 2009 and in consideration of the premium charged it is hereby understood and agreed that the following have been added to the vessel schedule:

Leased from Blue Water Marine, Inc.

6 - 40'x10'x7' used steel flexifloats - total value = \$360,000

1 - 20'x10'x7' used steel flexifloats - total value = \$ 38,000

also

11 - 40'x10'x7' steel flexifloats - total value = \$203,000

4 - 20'x10'x7' steel flexifloats - total value = \$ 52,000

Premium Change Which Is Due Now

- ☒ No change ☐ To be adjusted at audit

Additional premium

Returned premium

If issued after the date your policy begins, these spaces must be completed and our representative must sign below.

Policy issued to:
PACIFIC PILE & MARINE LP

Authorized representative

Endorsement takes effect: Policy number:
06/09/09 0X08400205

Processing date: 08/20/09 17:10 002

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SUBSCRIBERS PAGE

IN WITNESS WHEREOF, the Subscribers hereunder each severally, but not jointly, and not on the part of one for the other or any of the others have caused this policy to be signed by a duly authorized officer, attorney or agency, this 9th day of June , 2009.

<u>INSURER AND POLICY NUMBER</u>	<u>PARTICIPATION</u>	<u>PREMIUM</u>	<u>AUTHORIZED SIGNATURE FOR INSURER AND DATE</u>
St. Paul Fire & Marine Insurance Co. OX08400205	50%	nil	

Firemen's Fund Insurance Co.. OXL92001837	50%	nil	
--	-----	-----	--

Endorsement Change #002

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

Name of Insured
PACIFIC PILE & MARINE LP

Effective Date 06/09/09
Processing Date 08/20/09 17:10 002

DISCLOSURE NOTICE TERRORISM RISK INSURANCE ACT OF 2002

On December 26, 2007, the President of the United States signed into law amendments to the Terrorism Risk Insurance Act of 2002 (the "Act"), which, among other things, extend the Act and expand its scope. The Act establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in the Act) caused by "acts of terrorism". An "act of terrorism" is defined in Section 102(l) of the Act to mean any act that is certified by the Secretary of the Treasury - in concurrence with the Secretary of State and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States Mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

The federal government's share of compensation for Insured Losses is 85% of the amount of Insured Losses in excess of each Insurer's statutorily established deductible, subject to the "Program Trigger", (as defined in the Act). In no event, however, will the federal government or any Insurer be required to pay any portion of the amount of aggregate Insured Losses occurring in any one year that exceeds \$100,000,000,000, provided that such Insurer has met its deductible. If aggregate Insured Losses exceed \$100,000,000,000 in any one year, your coverage may therefore be reduced.

The premium charge shown below is for coverage under this policy for insured losses covered by the Act. This terrorism premium does not include any charges for the portion of insured losses covered by the federal government under the Act.

If \$0 is shown below for the certified acts of terrorism premium charge, this policy provides such terrorism coverage for no premium charge.

The certified acts of terrorism premium charge shown below applies to all coverage under this policy for Insured Losses covered by the Act that you purchased for a premium charge. For any insuring agreement or coverage part for which you did not purchase such terrorism coverage, this policy may include one or more terrorism exclusions that apply to certified acts of terrorism. Under the federal Terrorism Risk Insurance Program Reauthorization Act of 2007, the applicable definition of certified acts of terrorism no longer requires that the act of terrorism be committed on behalf of a foreign person or foreign interest. Therefore, each such exclusion is not limited to an act of terrorism committed on behalf of a foreign person or interest.

Name of Insured: PACIFIC PILE & MARINE LP

Policy Number: 0X08400205

Effective Date: 06/09/09

Certified Acts Of Terrorism Premium Charge: \$1,500.

Processing Date: 12/23/09 13:04 003

POLICY CHANGE ENDORSEMENT - FOR CERTAIN TYPES OF CHANGES ONLY

The **St Paul**

This endorsement summarizes certain changes to your policy. All other terms of your policy not affected by these changes remain the same.

How Your Policy Is Changed

The following item(s):

- | | |
|--|---|
| <input type="checkbox"/> Insured's Name | <input type="checkbox"/> Insured's Mailing Address |
| <input type="checkbox"/> Policy Number | <input type="checkbox"/> Company |
| <input type="checkbox"/> Effective/Expiration Date | <input type="checkbox"/> Insured's Legal Status/ Bus. of Insured |
| <input type="checkbox"/> Payment Plan | <input type="checkbox"/> Premium Determination |
| <input type="checkbox"/> Additional Interested Parties | <input checked="" type="checkbox"/> Coverage Forms and Endorsements |
| <input type="checkbox"/> Limits/Exposures | <input type="checkbox"/> Deductibles |
| <input type="checkbox"/> Covered Property/Location Description | <input type="checkbox"/> Classification/Class Codes |
| <input type="checkbox"/> Rates | <input type="checkbox"/> Underlying Insurance |

is (are) changed to read: (See also back page and additional page(s) if applicable)

Effective inception and in consideration of an additional premium of \$1,500 it is hereby understood and agreed that TRIA coverage is added to this policy.

The following forms are deleted:

Disclosure Notice Terrorism Risk Insurance Act of 2002 Rejection of Our
Offer of Coverage - D0101
Terrorism Risk Insurance Act Certified Acts of Terrorism Exclusion
Endorsement - OMBU0315

The following forms are added:

Disclosure Notice Terrorism Risk Insurance Act of 2002 - D0100
CAP On Losses From Certified Acts Of Terrorism Endorsement - D0144

Premium Change Which Is Due Now

- ☐ No change ☐ To be adjusted at audit

Additional premium \$1,500

Returned premium

If issued after the date your policy begins, these spaces must be completed and our representative must sign below.

Policy issued to:
PACIFIC PILE & MARINE LP

Authorized representative

Endorsement takes effect: Policy number:
06/09/09 0X08400205
Processing date: 12/23/09 13:04 003

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CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM ENDORSEMENT

This endorsement changes any and all property or other first-party protection and any and all liability protection provided by your policy, other than any of the following provided by your policy:

- Coverage that is changed by an exclusion that applies to certified acts of terrorism.
- Commercial auto coverage.
- Commercial crime coverage.
- Coverage that has Professional Liability in the title of that insuring agreement.

How Coverage Is Changed

There are two changes which are explained below.

1. The following is added to your insuring agreement. This change can limit coverage for losses arising out of certified acts of terrorism if such losses are otherwise covered by your policy.

If aggregate insured losses attributable to certified acts of terrorism exceed \$100 billion in a Program Year (January 1 through December 31), and we have met our insurer deductible under the Terrorism Risk Insurance Act:

- we won't be responsible for the payment of any portion of the amount of such losses that exceeds \$100 billion; and
- insured losses up to \$100 billion will be subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

Certified act of terrorism means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal

Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a certified act of terrorism include the following:

- The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
 - The act is a violent act or an act that is dangerous to human life, property, or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
2. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this policy.

Other Terms

All other terms of your policy remain the same.

* This is not a certified copy of any policy form. * Actual policy provisions may differ. *

SUBSCRIBERS PAGE

IN WITNESS WHEREOF, the Subscribers hereunder each severally, but not jointly, and not on the part of one for the other or any of the others have caused this policy to be signed by a duly authorized officer, attorney or agency, this 9th day of June , 2009.

<u>INSURER AND POLICY NUMBER</u>	<u>PARTICIPATION</u>	<u>PREMIUM</u>	<u>AUTHORIZED SIGNATURE FOR INSURER AND DATE</u>
St. Paul Fire & Marine Insurance Co. OX08400205	50%	\$750	
Firemen's Fund Insurance Co. OXL92001837	50%	\$750	

Endorsement Change #003

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

Name of Insured

PACIFIC PILE & MARINE LP

Effective Date 06/09/09

Processing Date 12/23/09 13:04 003

OMGE0109 Ed. 8-07

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Page 1 of 1

* This is not a certified copy of any policy form. * Actual policy provisions may differ. *

POLICY CHANGE ENDORSEMENT - FOR CERTAIN TYPES OF CHANGES ONLY

The **St Paul**

This endorsement summarizes certain changes to your policy. All other terms of your policy not affected by these changes remain the same.

How Your Policy Is Changed

The following item(s):

- | | |
|--|--|
| <input checked="" type="checkbox"/> Insured's Name | <input checked="" type="checkbox"/> Insured's Mailing Address |
| <input type="checkbox"/> Policy Number | <input type="checkbox"/> Company |
| <input type="checkbox"/> Effective/Expiration Date | <input type="checkbox"/> Insured's Legal Status/ Bus. of Insured |
| <input type="checkbox"/> Payment Plan | <input type="checkbox"/> Premium Determination |
| <input type="checkbox"/> Additional Interested Parties | <input type="checkbox"/> Coverage Forms and Endorsements |
| <input type="checkbox"/> Limits/Exposures | <input type="checkbox"/> Deductibles |
| <input type="checkbox"/> Covered Property/Location Description | <input type="checkbox"/> Classification/Class Codes |
| <input type="checkbox"/> Rates | <input checked="" type="checkbox"/> Underlying Insurance |

is (are) changed to read: (See also back page and additional page(s) if applicable)

Effective June 9, 2009 and in consideration of the premium charged it is hereby understood and agreed to the following corrections:

Named Insured is corrected per attached.

Mailing address is corrected to: 582 South Riverside Drive, Seattle, WA 98108

Underlying schedule is corrected per attached.

Premium Change Which Is Due Now

- ☒ No change ☐ To be adjusted at audit

Additional premium

Returned premium

If issued after the date your policy begins, these spaces must be completed and our representative must sign below.

Policy issued to:
PACIFIC PILE & MARINE LP

Authorized representative

Endorsement takes effect: Policy number:
06/09/09 0X08400205
Processing date: 06/22/10 13:34 004

** This is not a certified copy of any policy form. * Actual policy provisions may differ. **

Named Insured

Pacific Pile & Marine, LP
Pacific Pile & Marine Management, Inc.
Cascade Barge & Equipment, LLC
Inland Barge LLC
Saltair Equipment, LLC
Brackish Properties, LLC.
Pacific Pile & Marine LP, Limited Partnership
Pacific Pile & Marine Management INC. GP

* This is not a certified copy of any policy form. * Actual policy provisions may differ. *

Name of Insured

Policy Number OX08400205

Effective Date 06/09/09

PACIFIC PILE & MARINE LP

Processing Date 06/22/10 13:34 004

OMGE0500 Ed. 7-05

Customized Form

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Page 1

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SUBSCRIBERS PAGE

IN WITNESS WHEREOF, the Subscribers hereunder each severally, but not jointly, and not on the part of one for the other or any of the others have caused this policy to be signed by a duly authorized officer, attorney or agency, this 7th day of June , 2009.

<u>INSURER AND POLICY NUMBER</u>	<u>PARTICIPATION</u>	<u>PREMIUM</u>	<u>AUTHORIZED SIGNATURE FOR INSURER AND DATE</u>
St. Paul Fire & Marine Insurance Co. OX08400205	50%	nil	

Firemen's Fund Insurance Co. OXL92001837	50%	nil	
---	-----	-----	--

ENDORSEMENT CHANGE #004

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

Name of Insured

PACIFIC PILE & MARINE LP

Effective Date 06/09/09

Processing Date 06/22/10 13:34 004

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Page 1 of 1

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BUMBERSHOOT POLICY FORM

SCHEDULE OF UNDERLYING INSURANCES

Coverage	Company	Policy Number	Limit of Liability	Effective Dates
Protection & Indemnity/Towers/Collision	St. Paul Fire & Marine Insurance Co.	OH08400495	\$1,000,000	06/09/2009 to 06/09/2010
Marine General Liability	St. Paul Fire & Marine Insurance Co.	OL08400599	\$1,000,000 Occurrence \$2,000,000 Aggregate	06/09/2009 to 06/09/2010
MEL / EL	SeaBright Insurance Co	BB1091732	\$1,000,000	06/09/2009 to 06/09/2010
Automobile Liability	St. Paul Fire & Marine Insurance Co.	BA-5567N683	\$1,000,000	06/09/2009 to 06/09/2010
Vessel Pollution	WQIS	4250691	\$5,000,000	06/09/2009 to 06/09/2010

Name of Insured Policy Number 0X08400205 Effective Date 06/09/09
PACIFIC PILE & MARINE LP Processing Date 06/22/10 13:34 004

Coverage	Company	Policy Number	Limit of Liability	Effective Dates
Stop Gap Liability	St. Paul Fire & Marine Insurance Co.	OL08400599	\$1,000,000 Occurrence \$2,000,000 Aggregate	06/09/2009 to 06/09/2010

POLICY CHANGE ENDORSEMENT - FOR CERTAIN TYPES OF CHANGES ONLY

The **St Paul**

This endorsement summarizes certain changes to your policy. All other terms of your policy not affected by these changes remain the same.

How Your Policy Is Changed

The following item(s):

- | | |
|---|--|
| <input type="checkbox"/> Insured's Name | <input type="checkbox"/> Insured's Mailing Address |
| <input type="checkbox"/> Policy Number | <input type="checkbox"/> Company |
| <input type="checkbox"/> Effective/Expiration Date | <input type="checkbox"/> Insured's Legal Status/ Bus. of Insured |
| <input type="checkbox"/> Payment Plan | <input type="checkbox"/> Premium Determination |
| <input type="checkbox"/> Additional Interested Parties | <input type="checkbox"/> Coverage Forms and Endorsements |
| <input type="checkbox"/> Limits/Exposures | <input type="checkbox"/> Deductibles |
| <input checked="" type="checkbox"/> Covered Property/Location Description | <input type="checkbox"/> Classification/Class Codes |
| <input type="checkbox"/> Rates | <input type="checkbox"/> Underlying Insurance |

is (are) changed to read: (See also back page and additional page(s) if applicable)

Effective August 7, 2009 and in consideration of the premium charged it is hereby understood and agreed that the following is added to the Schedule of Vessels:

barge "MR. FRITZ"

And

Effective September 18, 2009 the following is added to the Schedule of Vessels:

tug "MR. BACIC"

Premium Change Which Is Due Now

☒ No change ☐ To be adjusted at audit

Additional premium

Returned premium

If issued after the date your policy begins, these spaces must be completed and our representative must sign below.

Policy issued to:
PACIFIC PILE & MARINE LP

Authorized representative

Endorsement takes effect: Policy number:
08/07/09 0X08400205
Processing date: 06/22/10 13:59 005

** This is not a certified copy of any policy form. * Actual policy provisions may differ. **

SUBSCRIBERS PAGE

IN WITNESS WHEREOF, the Subscribers hereunder each severally, but not jointly, and not on the part of one for the other or any of the others have caused this policy to be signed by a duly authorized officer, attorney or agency, this 7th day of August , 2009.

<u>INSURER AND POLICY NUMBER</u>	<u>PARTICIPATION</u>	<u>PREMIUM</u>	<u>AUTHORIZED SIGNATURE FOR INSURER AND DATE</u>
St. Paul Fire & Marine Insurance Co. OX08400205	50%	nil	

Firemen's Fund Insurance Co. OXL92001837	50%	nil	
---	-----	-----	--

ENDORSEMENT CHANGE #005

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

Name of Insured

PACIFIC PILE & MARINE LP

Effective Date 08/07/09

Processing Date 06/22/10 13:59 005

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Page 1 of 1

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CC: 000 D628

COPY

POLICY CHANGE ENDORSEMENT - FOR CERTAIN TYPES OF CHANGES ONLYThe **St Paul**

This endorsement summarizes certain changes to your policy. All other terms of your policy not affected by these changes remain the same.

How Your Policy Is Changed

The following item(s):

- | | |
|---|--|
| <input type="checkbox"/> Insured's Name | <input type="checkbox"/> Insured's Mailing Address |
| <input type="checkbox"/> Policy Number | <input type="checkbox"/> Company |
| <input type="checkbox"/> Effective/Expiration Date | <input type="checkbox"/> Insured's Legal Status/ Bus. of Insured |
| <input type="checkbox"/> Payment Plan | <input type="checkbox"/> Premium Determination |
| <input type="checkbox"/> Additional Interested Parties | <input type="checkbox"/> Coverage Forms and Endorsements |
| <input type="checkbox"/> Limits/Exposures | <input type="checkbox"/> Deductibles |
| <input checked="" type="checkbox"/> Covered Property/Location Description | <input type="checkbox"/> Classification/Class Codes |
| <input type="checkbox"/> Rates | <input type="checkbox"/> Underlying Insurance |

is (are) changed to read: (See also back page and additional page(s) if applicable)

Effective June 18, 2010 and in consideration of the premium charged it is hereby understood and agreed that the following is added to the schedule of vessels:

2002 29' Almar Aluminum Utility Boat S# 46155584

Premium Change Which Is Due Now

☒ No change ☐ To be adjusted at audit

Additional premium

Returned premium

If issued after the date your policy begins, these spaces must be completed and our representative must sign below.

Policy issued to:
PACIFIC PILE & MARINE LP

Authorized representative

Endorsement takes effect: Policy number:
06/18/10 OX08400205
Processing date: 08/10/10 17:16 002

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POLICY CHANGE ENDORSEMENT - FOR CERTAIN TYPES OF CHANGES ONLYThe **St Paul**

This endorsement summarizes certain changes to your policy. All other terms of your policy not affected by these changes remain the same.

How Your Policy Is Changed

The following item(s):

- | | |
|--|--|
| <input checked="" type="checkbox"/> Insured's Name | <input type="checkbox"/> Insured's Mailing Address |
| <input type="checkbox"/> Policy Number | <input type="checkbox"/> Company |
| <input type="checkbox"/> Effective/Expiration Date | <input type="checkbox"/> Insured's Legal Status/ Bus. of Insured |
| <input type="checkbox"/> Payment Plan | <input type="checkbox"/> Premium Determination |
| <input type="checkbox"/> Additional Interested Parties | <input type="checkbox"/> Coverage Forms and Endorsements |
| <input type="checkbox"/> Limits/Exposures | <input type="checkbox"/> Deductibles |
| <input type="checkbox"/> Covered Property/Location Description | <input type="checkbox"/> Classification/Class Codes |
| <input type="checkbox"/> Rates | <input type="checkbox"/> Underlying Insurance. |

is (are) changed to read: (See also back page and additional page(s) if applicable)

Effective August 6, 2010 and in consideration of the premium charged it is hereby understood and agreed that the following is added as a Named Insured:

CRWM Marine Contractors ULC

Premium Change Which Is Due Now

- ☒ No change ☐ To be adjusted at audit

Additional premium

Returned premium

If issued after the date your policy begins, these spaces must be completed and our representative must sign below.

Policy issued to:
PACIFIC PILE & MARINE LP

Authorized representative

Endorsement takes effect: Policy number:
08/06/10 OX08400205
Processing date: 08/10/10 17:21 003

CC: 000 D628
* O C O O 2 OX08400205 22241 * M: 00 I: 000 T: 001



BUMBERSHOOT POLICY DECLARATIONS

INSURANCE IS PROVIDED BY THE COMPANY DESIGNATED BELOW:

"per subscription page"

A CAPITAL STOCK COMPANY HEREIN CALLED THIS COMPANY

Policy Number OX08400205

Renewal of Policy Number OX08400163

NAME AND ADDRESS OF NAMED INSURED

PACIFIC PILE & MARINE LP

582 RIVERSIDE DRIVE
SEATTLE WA 98108

NAME AND ADDRESS OF AGENCY

BACIC GROUP LLC

1011 NE HIGH ST SUITE 101
ISSAQUAH WA 98029

Does hereby insure according to the form and clauses attached:

Coverage Bumbershoot	Rate/\$100. FLAT	Premium \$57,000 <i>billed \$58,500</i> <i>\$1,500 TRIA</i>
From 06/09/09	To 06/09/10	Beginning and ending at 12:01 a.m. Local
Limit of Liability: \$15,000,000	Self-Insured Retention: \$10,000.	
Cancellation notice: 10 days for nonpayment of premium 45 days for reasons other than nonpayment of premium		

IN WITNESS WHEREOF, the Company designated on the Declarations page has caused this Policy to be signed by its President and Secretary and countersigned on the Declarations page by a duly authorized representative of the Company.


Secretary


President

Seattle, Washington

Countersigned Date

Countersigned At

Authorized Representative



COPY

POLICY FORM LIST

Here's a list of all forms included in your policy, on the date shown below. These forms are listed in the same order as they appear in your policy.

Title	Form Number	Edition Date
Disclosure Notice Terrorism Risk Insurance Act Of 2002	D0101	01-08 ✓
Rejection Of Our Offer Of Coverage		
Bumbershoot Policy Declarations	OMBU0001	03-06 ✓
Policy Form List	40705	05-84 ✓
AIMU - Chemical, Biological, Bio-Chemical And Electromagnetic Exclusion Clause (3/1/03)	OMGE0100	03-03 ✓
AIMU - Extended Radioactive Contamination Exclusion Clause (3/1/03)	OMGE0101	03-03 ✓
Alaska Attorney Fees Notice B	OMGE0102	07-05 ✓
Named Insured	OMGE0500	07-05 ✓
Schedule of Vessels	OMGE0500	07-05 ✓
AIMU U.S.Economic And Trade Sanctions Clause	OMGE0108	10-06 ✓
Subscribers Page	OMGE0109	08-07 ✓
Lead Underwriter Clause	OMGE0113	07-08 ✓
Bumbershoot Policy Form	OMBU0002	02-07 ✓
Bumbershoot Policy Form Schedule of Underlying Insurances	OMBU0003	03-06 ✓
Bumbershoot Pollution Liability	OMBU0100	02-07 ✓
Terrorism Risk Insurance Act Certified Acts Of Terrorism Exclusion Endorsement	OMBU0315	01-08 ✓

Name of Insured

PACIFIC PILE & MARINE LP

Policy Number OX08400205

Effective Date 06/09/09

Processing Date 08/10/09 12:16 001

40705 Ed.5-84

Form List

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Page 1

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**AIMU
CHEMICAL, BIOLOGICAL, BIO-CHEMICAL, AND
ELECTROMAGNETIC EXCLUSION CLAUSE**

(March 1, 2003)

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

In no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to or arising from an actual or threatened act involving a chemical, biological, bio-chemical or electromagnetic weapon, device, agent or material when used in an intentionally hostile manner.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned policy, other than as above stated.

Name of Insured

Policy Number OX08400205

Effective Date 06/09/09

PACIFIC PILE & MARINE LP

Processing Date 08/10/09 12:16 001

OMGE0100 Ed. 3-03

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Page 1 of 1

CC: 000 D628
* O C O O 2 OX08400205 22247 * M: 00 I: 000 T: 001

COPY

**AIMU
EXTENDED RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE
WITH U.S.A. ENDORSEMENT**

(March 1, 2003)

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

1. In no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from
 - 1.1 ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
 - 1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
 - 1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
 - 1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.

**RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE
(U.S.A. ENDORSEMENT)**

This insurance is subject to the Extended Radioactive Contamination Exclusion Clause (March 1, 2003) provided that

if fire is an insured peril

and

where the subject matter insured or, in the case of a reinsurance, the subject matter insured by the original insurance, is within the U.S.A., its islands, onshore territories or possessions

and

a fire arises directly or indirectly from one or more of the causes detailed in Sub-Clauses 1.1, 1.2, and 1.4 of the Extended Radioactive Contamination Exclusion Clause March 1, 2003 any loss or damage arising directly from that fire shall, subject to the provisions of this insurance, be covered, EXCLUDING however any loss damage liability or expense caused by nuclear reaction, nuclear radiation, or radioactive contamination arising directly or indirectly from that fire.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned policy, other than as above stated.

Name of Insured

Policy Number OX08400205

Effective Date 06/09/09

PACIFIC PILE & MARINE LP

Processing Date 08/10/09 12:16 001

OMGE0101 Ed. 3-03

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Page 1 of 1

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ALASKA DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE
ATTORNEY FEES COVERAGE NOTICE B

This policy limits coverage for attorney fees under Alaska Rule of Civil Procedure 82.

In any suit in Alaska in which this Company has a right or duty to defend an Insured within the limits of liability, this Company's obligation under the applicable coverage to pay attorneys fees taxable as costs against the Insured is limited as follows:

Alaska Rule of Civil Procedure 82 provides that if the Insured is held liable, some or all of the attorney fees of the person making a claim against the Insured must be paid by the Insured. The amount that must be paid by the Insured is determined by Alaska Rule of Civil Procedure 82. This Company provides coverage for attorney fees for which the Insured is liable under Alaska Rule of Civil Procedure 82 subject to the following limitation:

If the limit of liability of the applicable coverage is \$1,000,000 or more, this Company will not pay any combination of judgment or claim settlement and attorney fees under Alaska Rule of Civil Procedure 82 that exceeds the limit of liability of the applicable coverage.

If the limit of liability of the applicable coverage is less than \$1,000,000, this Company will not pay more than the greater of

- (1) that portion of any attorney's fees that is calculated by applying the schedule for contested cases in Alaska Rule of Civil Procedure 82(b)(1) to the limit of liability of the applicable coverage; or**
- (2) \$10,000**

This limitation means the potential costs that may be awarded against the Insured as attorney fees may not be covered in full. The Insured will have to pay any attorney fees not covered directly.

Example 1:

The attorney fees provided by the schedule for contested cases in Alaska Rule of Civil Procedure 82(b)(1) are:

- 20% of the first \$25,000 of a judgment;
- 10% of the amounts over \$25,000 of a judgment.

Therefore, if a court awards a judgment against the Insured in the amount of \$1,250,000, in addition to that amount the Insured would be liable for attorney fees of \$127,500 under Alaska Rule of Civil Procedure 82(b)(1), calculated as follows:

20% of	\$25,000	\$5,000
10% of	\$1,225,000	\$122,500
Total Award:	\$1,250,000	Total Attorney Fees: \$127,500

If the limit of liability of the applicable coverage is \$1,000,000, this Company would pay \$1,000,000 of the \$1,250,000 award, less the costs incurred defending the Insured, and none of the attorney fees under Alaska Rule of Civil Procedure 82(b)(1).

The Insured would be liable to pay, directly and without this Company's assistance, the remaining judgment in excess of the remaining policy limit plus the \$127,500 attorney fees under Alaska Rule of Civil Procedure 82.

Name of Insured

Policy Number OX08400205

Effective Date 06/09/09

PACIFIC PILE & MARINE LP

Processing Date 08/10/09 12:16 001

OMGE0102 Ed. 7-05

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Page 1 of 2

Example 2:

The attorney fees provided by the schedule for contested cases under Alaska Rule of Civil Procedure 82(b)(1) are:

20% of the first \$25,000 of a judgment;

10% of the amounts over \$25,000 of a judgment.

Therefore, if a court awards a judgment against the Insured in the amount of \$650,000, in addition to that amount the Insured would be liable under Alaska Rule of Civil Procedure 82(b)(1) for attorney fees of \$67,500, calculated as follows:

20% of	\$25,000	\$5,000
10% of	<u>\$625,000</u>	<u>\$62,500</u>
Total Award:	\$650,000	Total Attorney Fees: \$67,500

If the limit of liability of the applicable coverage is \$500,000 this Company would pay \$500,000 of the \$650,000 award, less the costs incurred defending the Insured, and \$52,500 of the attorney fees under Alaska Rule of Civil Procedure 82(b)(1), calculated as follows:

20% of	\$25,000	\$5,000
10% of	<u>\$475,000</u>	<u>\$47,500</u>
Total Limit of Liability:	\$500,000	Total Attorney Fees Covered: \$52,500

The Insured would be liable to pay, directly and without this Company's assistance, the judgment in excess of the remaining policy limit plus the remaining \$15,000 for attorney fees under Alaska Rule of Civil Procedure 82 not covered by this policy.

Example 3:

The attorney fees provided by the schedule for contested cases in Alaska Rule of Civil Procedure 82(b)(1) are:

20% of the first \$25,000 of a judgment;

10% of the amounts over \$25,000 of a judgment.

Therefore, if a court enters a judgment against the Insured in the amount of \$500,000, in addition to that amount the Insured would be liable for attorney fees of \$52,500 under Alaska Rule of Civil Procedure 82(b)(1), calculated as follows:

20% of	\$25,000	\$5,000
10% of	<u>\$475,000</u>	<u>\$47,500</u>
Total Award:	\$500,000	Total Attorney Fees: \$52,500

If the limit of liability of the applicable coverage is \$50,000, this Company would pay \$50,000 of the \$500,000 award less the costs incurred defending the Insured, and \$10,000 of the attorney fees under Alaska Rule of Civil Procedure 82(b)(1), calculated as follows:

20% of	\$25,000	\$5,000
10% of	<u>\$25,000</u>	<u>\$2,500</u>

Total Limit of Liability:	\$50,000	Minimum Limit: \$10,000
		Total Attorney Fees Covered: \$10,000

The Insured would be liable to pay, directly and without this Company's assistance, the judgment in excess of the remaining policy limit plus the remaining \$42,500 for attorney fees under Alaska Rule of Civil Procedure 82 not covered by this policy.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned policy, other than as above stated.

* O C O O 2 OX08400205 22251 * M: 00 I: 000 T: 001 CC: 000 D628

COPY

Named Insured

Pacific Pile & Marine, LP
Pacific Pile & Marine Management, Inc.
Cascade Barge & Equipment, LLC
Inland Barge LLC
Saltair Equipment, LLC
Brackinsh Properties, LLC.
Pacific Pile & Marine LP, Limited Partnership
Pacific Pile & Marine Management INC. GP

Name of Insured

Policy Number OX08400205

Effective Date 06/09/09

PACIFIC PILE & MARINE LP

Processing Date 08/10/09 12:16 001

COPY

Schedule of Vessels

* M: 00 I: 000 T: 001
* O C O O 2 OX08400205 22253

Barge "PAMTAY" ✓

Sien Skiff (2)

Work Skiff (4)

FlexiFloats
(8-10x40) ✓FlexiFloats
(2-10x20) ✓Deck Barge IB1 ✓
w/ excavator

Work Boat ✓

Barge "MUD PUP" ✓

Tug "NORENE" ✓

Barge "LASH 4" ✓
w/ crane

Barge "CALLIAPOOYA" ✓

Name of Insured

PACIFIC PILE & MARINE LP

Policy Number OX08400205

Effective Date 06/09/09

Processing Date 08/10/09 12:16 001

OMGE0500 Ed. 7-05

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Page 1

CC: 000 D628
* O C O O 2 OX08400205 22255 * M: 00 I: 000 T: 001

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AIMU U.S. ECONOMIC AND TRADE SANCTIONS CLAUSE

Whenever coverage provided by this policy would be in violation of any U.S. economic or trade sanctions such as, but not limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), such coverage shall be null and void.

Similarly, any coverage relating to or referred to in any certificates or other evidences of insurance or any claim that would be in violation of U.S. economic or trade sanctions as described above shall also be null and void.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned policy, other than as above stated.

Name of Insured

PACIFIC PILE & MARINE LP

Policy Number OX08400205

Effective Date 06/09/09

Processing Date 08/10/09 12:16 001

OMGE0108 Ed. 10-06

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Page 1 of 1

CC: 000 D628
* O C O O 2 OX08400205 22257 * M: 00 I: 000 T: 001

SUBSCRIBERS PAGE

IN WITNESS WHEREOF, the Subscribers hereunder each severally, but not jointly, and not on the part of one for the other or any of the others have caused this policy to be signed by a duly authorized officer, attorney or agency, this 9th day of June , 2009.

<u>INSURER AND POLICY NUMBER</u>	<u>PARTICIPATION</u>	<u>PREMIUM</u>	<u>AUTHORIZED SIGNATURE FOR INSURER AND DATE</u>
St. Paul Fire & Marine Insurance Co. OX08400205	50%	\$28,500	
Firemen's Fund Insurance Co. OXL92001837	50%	\$28,500	

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

Name of Insured

PACIFIC PILE & MARINE LP

Effective Date 06/09/09

Processing Date 08/10/09 12:16 001

OMGE0109 Ed. 8-07

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Page 1 of 1

* O C O O 2 OX08400205 22259 * M: 00 I: 000 T: 001 CC: 000 D628

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LEAD UNDERWRITER CLAUSE

It is understood and agreed that all Underwriters acknowledge that they will follow the terms as set out by St. Paul Fire and Marine Insurance Company, and shall follow all matters relating to a claim including but not limited to, investigation, adjustment, settlements, legal proceedings, and appointment of investigators, adjusters, surveyors, attorneys or other claim service firms.

However, Underwriters insofar as their proportions of coverage are concerned individually and separately, reserve the right to honor a claim which the lead underwriter may dispute and/or make, or not make, ex-gratia payments insofar as their respective interests are concerned.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned policy, other than as above stated.

Name of Insured
PACIFIC PILE & MARINE LP

Policy Number OX08400205

Effective Date 06/09/09

Processing Date 08/10/09 12:16 001

BUMBERSHOOT POLICY FORM

The Company as hereinafter referenced is St. Paul Fire and Marine Insurance Company, which is a capital stock company based in St. Paul, Minnesota.

Insured as hereinafter referenced is the Named Insured set forth in the Declarations, as well as any other person or organization qualifying as such under Section I. Insuring Agreement, C. Insured.

Other words and phrases which appear throughout this Policy in quotation marks have or include special meaning as set forth under Section IV. Definitions.

The Section or Clause titles or headings are for reference only and have no bearing on the interpretation of the Sections or Clauses. All Sections and Clauses should be read carefully to determine their actual meaning.

In consideration of payment of premium as set forth in the Declarations, and subject to the statements in the Declarations and all the Terms, Conditions, Exclusions and Limits of Liability, this Company agrees with the Named Insured as follows:

I. INSURING AGREEMENT

A. COVERAGE

This Policy shall provide coverage for all sums which the Insured shall become legally obligated to pay for:

- (1) All protection and indemnity risks of whatsoever nature including those covered by the scheduled underlying protection and indemnity insurances or which are absolutely or conditionally undertaken by the United Kingdom Mutual Steam Ship Assurance Association, Limited;
- (2) General average, collision liabilities, towers liabilities, salvage, salvage charges, and sue and labor arising from any cause whatsoever;
- (3) All other sums which the Insured shall become legally liable to pay or by contract or agreement become liable to pay as damages of whatsoever nature, on account of "bodily injury" or "property damage";
- (4) All sums which the Insured shall become legally liable to pay as damages of whatsoever nature, on account of "personal and advertising injury" arising out of the Insured's business and;

caused by an "occurrence" happening, or an offense committed, during the policy period anywhere in the world, except for any country or jurisdiction which is subject to any trade sanction, embargo or similar regulation imposed by the United States of America that prohibits the transaction of business with or within such country or jurisdiction.

Name of Insured

Policy Number OX08400205

Effective Date 06/09/09

PACIFIC PILE & MARINE LP

Processing Date 08/10/09 12:16 001

B. LIMIT OF LIABILITY

This Company will pay on behalf of the Insured the "Ultimate Net Loss" in excess of either:

- (1) The amount(s) of the limit(s) set out in the underlying insurances identified in the attached "Schedule of Underlying Insurances" (with respect to general average, salvage, salvage charges, and sue and labor expenses, the sum(s) of said expenses actually insured by the underlying policies shall be deemed the amount(s) of the limit(s) of said underlying policies);

or

- (2) The **Self Insured Retention as set forth in the Declarations** in respect of each "occurrence" or offense not covered by said underlying insurances;

(all hereinafter called the Underlying limits), up to the **Limit of Liability as set forth in the Declarations** in respect of each "occurrence" or offense.

Should any of the underlying coverages listed in the "Schedule of Underlying Insurances" be subject to an "annual aggregate limit", then this Policy shall also be subject to an "annual aggregate limit" equal to the Limit of Liability as shown in the Declarations, as respects those coverages.

In the event of the reduction or exhaustion of the "annual aggregate limit" contained in any of the underlying coverages listed in the "Schedule of Underlying Insurances" solely by reason of the payment of losses and/or expenses in respect of "occurrences" which take place, or offenses committed, during the period of this Policy, this Policy shall apply, subject to the terms and conditions of the underlying insurance and the limitations, terms, exclusions, conditions and endorsements set forth in this Policy, in excess of the reduced underlying limit or, if such limit is exhausted, as underlying insurance.

In the event that a loss is covered by more than one Policy listed in the "Schedule of Underlying Insurances", the coverage provided by this Policy shall be excess of the total available limits in the underlying insurances.

The inclusion hereunder of more than one Insured shall not operate to increase this Company's limit of liability.

C. INSURED

- (1) Each of the following is an Insured under this insurance to the extent set forth below:
 - (a) If the Named Insured so designated is an individual, the person so designated but only with respect to the conduct of a business of which he is the sole proprietor and the spouse of the Named Insured with respect to the conduct of such a business;
 - (b) If the Named Insured so designated is a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof, and their spouses, but only with respect to the conduct of the partnership's or joint venture's business;
 - (c) If the Named Insured so designated is a limited liability company, the limited liability company so designated and any member or manager thereof, but only with respect to their duties as members or managers;

- (d) If the Named Insured so designated is not an individual, partnership, joint venture, or limited liability company, the organization so designated and its "executive officers" and directors but only with respect to their duties as officers and directors. Stockholders of the organization are also Insureds, but only with respect to their liability as stockholders.

(2) Each of the following is also an Insured:

- (a) "Employees" of the Named Insured, other than "executive officers" (if the Insured is an organization other than an individual, partnership, joint venture, or limited liability company), managers (if the Insured is a limited liability company), temporary workers or borrowed servants, but only for acts within the scope of their employment by the Named Insured or while performing duties related to the conduct of the Named Insured's business;
- (b) Any person (other than an "employee" of the Insured) or any organization, while acting as real estate manager for the Named Insured;
- (c) Any person or organization having proper temporary custody of the Named Insured's property in the event of the Named Insured's death, but only with respect to liability arising out of the maintenance or use of that property, and until the Named Insured's legal representative has been appointed;
- (d) The Named Insured's legal representative in the event of the Named Insured's death, but only with respect to their duties as such. Said legal representative shall have all of the Named Insured's rights and duties under this Policy.

(3) Unnamed Joint Ventures:

With respect to the conduct of any partnership or joint venture of which the Named Insured is a partner or member and which is not shown in the Declarations of this Policy as a Named Insured, this Policy will respond, subject to the limits of liability herein, for that amount of a covered claim for which the Named Insured is directly liable. But such coverage as is afforded by this clause shall apply only in excess of similar coverage provided for in a Policy listed in the "Schedule of Underlying Insurances". In the absence of valid and collectible underlying insurance listed in "Schedule of Underlying Insurances", coverages hereunder shall not apply.

(4) Persons or Entities insured as respects the ownership or operation of Autos or Aircraft, if applicable:

With respect to any "automobile" owned by the Named Insured or hired for use on behalf of the Named Insured, or to any "aircraft" owned by the Named Insured or hired for use on behalf of the Named Insured, any person while using such "automobile" or "aircraft" and any person or organization legally responsible for the use thereof, provided the actual use of the "automobile" or "aircraft" is with the permission of the Named Insured. The coverage extended by this clause (4) shall not apply:

- (a) To any person or organization, or to any officer, director, "employee", or agent thereof, operating an automobile repair shop, public garage, sales agency, service station, or public parking place, with respect to any "occurrence" arising out of the operation thereof;
- (b) To any manufacturer of "aircraft", aircraft engines, or aviation accessories, or any aviation sales or service or repair organization or airport or hangar operator or their respective officers, directors,

"employees", or agents, with respect to any "occurrence" arising out of the operation thereof;

- (c) With respect to any hired "automobile" or "aircraft", to the owner thereof or any officer, director, or "employee" of such owner;
- (d) Unless coverage is provided for "automobiles" or "aircraft" in a Policy listed in the "Schedule of Underlying Insurances", and then only excess of and to the extent of such coverage.

II. EXCLUSIONS

A. GENERAL EXCLUSIONS

This Policy shall not apply to any loss, damage, injury or expense arising out of:

(1) Asbestos, Lead, Biphenyl, Silica, Benzene

- (a) The actual, alleged or threatened absorption, ingestion or inhalation of asbestos, lead, biphenyl, silica or benzene, in any form by any person, or existence of asbestos, lead, biphenyl, silica or benzene in any form;
- (b) The actual, alleged or threatened absorption, ingestion or inhalation of any other solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, spoils, fumes, acids, alkalis, petroleum products or derivatives, chemicals, sewerage, and waste materials or substances, in any form by any person, or existence of any such irritant or contaminant in any form, and that is part of any claim or "suit" that also alleges any loss, injury, damage or expense described in paragraph (a) of this exclusion;
- (c) Any request, demand, order or statutory or regulatory requirement:
 - (i) to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize asbestos, lead, biphenyl, silica or benzene in any form;
 - (ii) to respond to, or assess, in any way the effects of asbestos, lead, biphenyl, silica or benzene in any form.

(2) Breach of Fiduciary Duty

Any actual or alleged breach of fiduciary duty, improper conduct, or conflict of interest in the Insured's performance of duties or responsibilities in the capacity of Officer, Director or Trustee of a corporation.

(3) Claims Made by Foreign, National, State or Local Government

Any claim made by a foreign, national, state, or local government, subdivisions or agencies thereof, unless the claim is for damages occasioned by actual or alleged "bodily injury" or "property damage".

(4) Discrimination, Humiliation

The violation of any statute, law, ordinance, or regulation prohibiting discrimination or humiliation of any nature whatsoever, including discrimination or humiliation based on race, color, creed, religion, sex, age, national origin, alienage, handicap, disability or sexual orientation.

(5) Drilling Rigs, Barges, Tenders, and Platforms

Ownership, use, or operation of drilling rigs, drilling barges, drilling tenders, platforms, flow lines, gathering stations and/or pipe lines, but this exclusion shall not apply to craft servicing the foregoing such as supply, crew, or utility boats, tenders, tugs, or to craft listed on the "Schedule of Vessels".

(6) Employee Retirement Income Security Act

The Employee Retirement Income Security Act of 1974 (ERISA), as amended or any similar or superseding laws.

(7) Employment-Related Practices

Any actual or alleged unlawful acts, whether such acts are alleged to be intentional or otherwise, or any violation of or non-compliance with statutes, laws, ordinances, or regulations, regarding or related to:

- (a) Any refusal to employ or retraction of any employment offer;
- (b) Any suspension or termination of employment of any "employee" of the Insured, including wrongful discharge of "employees";
- (c) Any employment-related practices, policies, acts or omissions such as:
 - (i) The coercion, demotion, evaluation, reassignment, discipline, civil or criminal prosecution, defamation, harassment, or humiliation of any "employee" of an Insured;
 - (ii) Discrimination or harassment of any nature whatsoever against any "employee" of an Insured, including discrimination based on race, color, creed, religion, sex, age, national origin, alienage, handicap, disability, or sexual orientation;
- (d) Actual or alleged violations of the Americans with Disabilities Act;
- (e) Any liability to the spouse, child, parent, brother or sister, or other relative, or dependent of, any "employee" as a consequence of the foregoing;
- (f) Any employment practices related liability to former "employees", including actual or alleged statements and/or disclosures regarding the services of former "employees";
- (g) Actual or alleged violations of the Civil Rights Act of 1964, as amended.

This exclusion (7) applies:

- (i) Whether the Insured is liable as an employer or in any other capacity; and
- (ii) To any obligation to share damages with or repay someone else who must pay damages because of the loss, injury, damage or expense.

(8) Expected or Intended by the Insured

Except to the extent coverage is provided in the "Schedule of Underlying Insurances", and then only excess thereof, "bodily injury" or "property damage" expected or intended from the standpoint of any Insured.

(9) Failure of Insured's Products or Work

Failure of an Insured's products, or work completed by or for an Insured, to perform the function or serve the purpose intended or warranted by the Insured.

(10) Fines, Penalties, Punitive Damages

Any fines, penalties, punitive damages, exemplary damages, or the portion of any multiplied damages award that exceeds the amount multiplied.

(11) Fraud, Infidelity, Dishonesty, Criminal Acts

Fraud, infidelity, dishonesty, and/or criminal acts of any insured or any representative or "employee" of an insured committed individually or in collusion with others.

(12) Intentional Non-Compliance with Laws, Statutes or Regulations

Any intentional non-compliance with any law, statute or regulation unless such claim be for damages occasioned by actual or alleged "bodily injury" or "property damage".

(13) Liabilities to Seamen

Any liability to "employees" of the Insured, under the Jones Act (Merchant Marine Act of 1920), Death on the High Seas Act, General Maritime Law, Federal Employer's Liability Act, or any similar laws applicable to seamen, occurring on any vessel owned, chartered, leased or rented by the Insured; except to the extent that coverage is provided in the Protection & Indemnity or Maritime Employers Liability coverages contained in the "Schedule of Underlying Insurances", and then only excess thereof.

(14) Mold or Other Fungi, or Bacteria

- (a) The actual, alleged or threatened absorption, ingestion or inhalation of mold or other fungi, or bacteria, in any form by any person, and/or the existence of any mold or other fungi, or bacteria, in any form.

To the extent coverage is provided in the "Schedule of Underlying Insurances", and then only excess thereof, this exclusion, (14) (a), does not apply to:

- (i) "Bodily injury" or "property damage" arising out of mold or other fungi, or bacteria, which are part of a product that is intended to be consumed as a food, beverage, or medicine;
 - (ii) "Bodily injury" arising out of bacteria which are directly transmitted solely by or from another person to the person sustaining such "bodily injury"; or
 - (iii) "Bodily injury" arising out of a bacterial infection which develops in connection with a preceding "bodily injury" to that same person that is not excluded by this exclusion (14) (a).
- (b) The actual, alleged or threatened absorption, ingestion or inhalation of any other solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, spoils, fumes, acids, alkalis, petroleum products or derivatives, chemicals, sewerage, and waste materials or substances, in any form by any person, and/or existence of any such irritant or contaminant in any form, and that is part of any claim or

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"suit" that also alleges any loss, injury, damage or expense described in paragraph (a) of this exclusion.

(c) Any request, demand, order or statutory or regulatory requirement:

- (i) To test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize mold or other fungi, or bacteria, in any form;
- (ii) To respond to, or assess, in any way the effects of mold or other fungi, or bacteria, in any form.

As used in this exclusion (14):

"Mold or other fungi" means any type or form of mold, mildew, or other fungus, and/or any mycotoxin, spore, scent, or byproduct that is produced or released by such mold, mildew or other fungus.

"Bacteria" means any type or form of bacterium, and/or any mycotoxin, spore, scent, or byproduct that is produced or released by such bacterium.

(15) Non-Payment or Delay of Debt

Any claim for non-payment or delay in payment of charter hire, loans, mortgages, promissory notes, checks, drafts, or any other evidence of debt.

(16) Occupational Disease

Except to the extent coverage is provided in the Protection & Indemnity, Maritime Employers Liability or Employers Liability coverages contained in the "Schedule of Underlying Insurances", and then only excess thereof, "bodily injury" of any person due to occupational and/or industrial diseases and/or injuries gradually contracted from the character of the person's present or prior employment, because thereof, and incidental thereto, and whether or not such employment be in the service of the Insured or otherwise.

(17) Patent Infringement

Infringement of any patent; unauthorized use of trademark, service mark, or trade name; for infringement of any copyright; misappropriation of design, drawing, process or procedure.

(18) Personal and Advertising Injury

"Personal and advertising injury" as respects:

- (a) oral, written or electronic publication of material, if done by or at the direction of the Insured with knowledge of its falsity;
- (b) oral, written or electronic publication of material whose first publication took place before the beginning of the policy period;
- (c) the willful violation of a penal statute or ordinance committed by or with the consent of the Insured;
- (d) liability assumed by the Insured in a contract or agreement. This exclusion, (d), does not apply to liability for damages that the Insured would have in the absence of the contract or agreement;

- (e) the failure of goods, products or services to conform with advertised quality or performance;
- (f) breach of contract, but this shall not apply to claims for unauthorized appropriation of ideas based upon alleged breach of an implied contract;
- (g) incorrect description or labeling of any article or commodity;
- (h) mistake in advertised price;
- (i) an electronic chatroom or bulletin board the Insured hosts, owns or over which the Insured exercises control;
- (j) the unauthorized use of another's name or product in the Insured's e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers;
- (k) failure to adhere to the national do not call list;
- (l) unauthorized dissemination/disclosure of personal information.

(19) Pollution

The actual, alleged or threatened seepage, discharge, dispersal, disposal or dumping, release, migration, emission, spillage, escape, or leakage of "pollutants" into or upon land, atmosphere, environment, or any watercourse or body of water, as well as:

- (a) Any cost or expense imposed upon or assumed by the insured, or arising out of any request, demand or order upon any insured or others, or arising out of any claim or "suit" brought by or on behalf of a governmental authority, in connection with testing for, monitoring, evaluating, controlling, cleaning up, removing, containing, treating, detoxifying, nullifying, neutralizing, or in any way responding to, or assessing the effects of, "pollutants";
- (b) Any cost or expense imposed upon or assumed by the insured, or arising out of any request, demand or order upon any insured or others, or arising out of any claim or "suit" brought by or on behalf of a governmental authority, in connection with damage to or degradation of natural resources, including fish, animals, vegetation, and other life form inhabitants, and/or to the environment, including costs of assessing whether and to what extent such damage or degradation has occurred, costs of evaluating, monitoring, controlling, removing and/or nullifying such damage or degradation, and costs of replacing, replenishing and/or acquiring the equivalent of damaged or degraded natural resources;
- (c) Any loss, injury, damage or expense arising out of "pollutants" which were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom the insured may be legally responsible.

(20) Professional Liability, Errors and Omissions

Any error or omission, malpractice or mistake in the performance of professional services committed or alleged to have been committed by or on behalf of the Insured in the conduct of any of the Insured's business activities. Professional services include the preparation or approval of: maps, plans, opinions, reports, surveys, designs or specifications, inspections, and other similar items.

(21) Securities Acts

Any alleged violation(s) of any federal or state law regulating, controlling and governing stock, bonds or securities of any type or nature, including without limitation the Securities Act of 1933, the Securities Act of 1934, the Sherman Anti-Trust Act, the Robinson-Patman Anti-Trust Act, the Clayton Anti-Trust Act, the Hart-Scott-Rodino Act, as amended, or any similar or superseding laws, and blue-sky laws or statutes.

(22) Stockholder's Derivative Action

Any stockholder's derivative action.

(23) Uninsured Motorists, Underinsured Motorists or Automobile No-Fault Laws

Any liability or obligation of the Insured under any "automobile":

- (a) uninsured motorist;
- (b) underinsured motorists; or
- (c) no-fault or other first party benefits law.

(24) Violation of Trade Law

Any actual or alleged violation of any securities, antitrust, restraint of trade, unfair competition, deceptive trade practices, or consumers protection statutes or limitations.

(25) War

- (a) War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, or military or usurped power, or confiscation, nationalization, requisition, destruction of, or damage to property by, or under the order of, any government or public or local authority.
- (b) Nevertheless, this exclusion shall not apply, except as provided in sub-division (c) below, to liabilities:
 - (i) arising in connection with vessels owned, chartered, hired, or otherwise used by the Insured;
 - (ii) arising out of property of any kind in transit by land, water, or air during such periods as would be covered for full war risks under an insurance covering physical loss of or damage to cargo subject to the London or American Institute War Clauses relevant to the particular form of transit;
 - (iii) arising out of any waterborne operations;
 - (iv) to seamen;
 - (v) for death of, or "bodily injury" to, persons of any kind.
- (c) Notwithstanding the provisions of sub-division (b), the clause set out in sub-division (a) shall apply to the liabilities in sub-division (b):
 - (i) Unless applied sooner under the provisions of sections (ii) or (iii) of this sub-division (c), automatically upon and simultaneously with

the outbreak of war (whether there be a declaration of war or not) between any of the following countries: United States of America, United Kingdom (or any other member of the British Commonwealth), France, the Former Union of Soviet Socialist Republics, and the People's Republic of China;

- (ii) At any time at the Named Insured's request, or by this Company giving 14 days written notice to the Named Insured, but in no event shall such notice affect or postpone the operation of the provisions of sections (i) and (iii) of this sub-division (c). Written notice sent to the Insured at its last known address shall constitute a complete notice, and such notice mailed, telexed, telefaxed, or telegraphed to the Insured, care of the broker that negotiated this Policy, shall have the same effect as if sent to the Insured directly. The sending of notice as aforesaid shall be sufficient proof of notice and the effective date and hour of the operation of the clause set out in sub-division (a) above shall be 14 calendar days from midnight of the day on which such notice was sent. This Company agrees, however, that the clause set out in sub-division (a) above shall not apply if, prior to the effective date and hour, this Company and the Insured agree as to the additional premium and/or new conditions and/or warranties;
- (iii) Unless sooner terminated under the provisions of sections (i) or (ii) of this sub-division (c), automatically in respect of an insured vessel if and when such vessel is requisitioned, either for title or use, by the Government of the United States, or of the country in which the vessel is owned or registered, or of the country in which any such right of requisition is vested.
- (d) If, subsequent to the agreement of an additional premium as provided by section (ii) of sub-division (c), either the Insured or this Company again elect to exercise the option provided therein, or section (i) or (iii) of subdivision (c) becomes operative, pro rata net return of the additional premium paid shall be refunded to the Insured. Such return premium will be paid on demand or as soon thereafter as practicable to do so.

(26) Workers Compensation and Similar Acts

Any obligation for which the Insured or any carrier as his insurer may be held liable under Workers Compensation, Unemployment Compensation, Disability Benefits, the Longshoremen and Harbor Workers Compensation Act, or under any similar law or act.

B. CONDITIONAL EXCLUSIONS

These Conditional Exclusions shall not apply to liability arising out of the Insured's activities involving ownership, charter, use, operation, maintenance, loading or unloading of, or as a bailee of, any watercraft not otherwise excluded or limited elsewhere in this Policy.

Unless coverage is provided for in an underlying policy listed in the "Schedule of Underlying Insurances", and then this Policy shall only operate as excess thereof, this Policy shall not apply to any loss, damage, injury or expense arising out of:

(1) Automobile or Aircraft

The ownership, maintenance, operation, use, entrustment to others, loading or unloading of any "automobile" or "aircraft".

(2) Bodily Injury to Co-Employee

"Bodily injury" to an "employee" committed by another "employee" of the same Insured injured in the course of such employment.

(3) Care, Custody and Control

Property while in the care, custody or control of the Insured.

(4) Completed Operations

The Insured's operations, if the "occurrence" takes place after such operations have been completed or abandoned and occurs away from premises owned, rented, or controlled by the Insured; provided that operations shall not be deemed incomplete because improperly or defectively performed or because further operations may be required pursuant to agreement; provided further that this paragraph shall not apply to the following Insured's operations:

- (a) pick-up or delivery, except from or onto a railroad car;
- (b) the maintenance of any "automobile" or "aircraft" owned or used by or on behalf of the Insured;
- (c) the existence of tools, uninstalled equipment and abandoned or unused materials.

(5) Contractual Liability

Assumed under contract.

(6) Products Liability

Goods or products manufactured, sold, handled, distributed, or disposed of by the Insured, or by others trading under its name, if the "occurrence" occurs after possession of such goods or products has been relinquished to others by the Insured, or by others trading under its name, and if such "occurrence" occurs away from premises owned, rented, or controlled by the Insured.

III. GENERAL CONDITIONS

A. ADDITIONAL INSURED

In the event of Additional Insureds being added to any Policy listed in the "Schedule of Underlying Insurances" during the currency of this Policy, coverage shall be provided hereunder for such Additional Insureds, subject to the following:

- (1) Such coverage shall apply only in excess of similar coverage provided for in a Policy listed in the "Schedule of Underlying Insurances". In the absence of valid and collectible underlying insurance listed in "Schedule of Underlying Insurances", coverages hereunder shall not apply;
- (2) When Additional Insureds are added to a Policy listed in the "Schedule of Underlying Insurance" due to the requirements of a written or oral contract, such coverage shall apply only when contract conditions between the Named Insured and the referenced Additional Insured so require, and only insofar as is necessary to meet the requirements of such contract conditions;

- (3) This Policy will not insure or defend any claims for liabilities arising out of the sole fault or sole negligence of the Additional Insured;
- (4) Coverage provided hereunder for Additional Insureds is further subject to all of the exclusions and limitations contained elsewhere in this Policy;
- (5) The inclusion of Additional Insureds shall not increase the per "occurrence" or offense limit and/or "annual aggregate limit" of liability under this Policy;
- (6) In the event of a cancellation or change in Policy coverage, unless specifically endorsed in writing to the contrary hereon, no obligation is imposed on this Company to send notice of cancellation or change of coverage to an Additional Insured.

B. APPEALS

In the event the Insured or the Insured's "Underlying Insurers" elect not to appeal a judgment in excess of any Underlying Limits, this Company may elect to make such appeal at their cost and expense, and shall be liable for the taxable costs and disbursements and interest incidental thereto, but in no event shall the liability of this Company for "Ultimate Net Loss" exceed the amount set forth in Section I. Insuring Agreement, B. Limit of Liability for any one "occurrence" or offense and, in addition, the cost and expense of such appeal plus the taxable costs and disbursements and interest incidental thereto.

C. ASSIGNMENT

The assignment of any interest under this Policy shall not bind this Company until its written consent to such assignment is added to this Policy by endorsement.

D. ASSISTANCE AND COOPERATION

This Company shall not be called upon to assume charge of the settlement or defense of any claim made or "suit" brought or proceeding instituted against any Insured, but this Company shall have the right and shall be given the opportunity to associate with the Insured or the Insured's "Underlying Insurers", or both, in the defense and control of any claim, "suit", or proceeding relative to an "occurrence" or offense where the claim, "suit", or proceeding involves or appears reasonably likely to involve this Company, in which event the Insured, the "Underlying Insurers", and this Company shall cooperate in all things in the defense of such claim, "suit", or proceeding, but this Company shall have the right to make such investigation, negotiation, and settlement of any claim or "suit" as may be deemed expedient by this Company.

E. BANKRUPTCY OR INSOLVENCY

In the event of the bankruptcy or insolvency of any Insured, or any entity comprising the Insured, this Company shall not be relieved of its obligations under this Policy.

F. CANCELLATION

This Policy may be cancelled by the Named Insured by mailing to the Company written notice stating when thereafter such cancellation shall be effective. This Policy may be cancelled by the Company by mailing to the Named Insured at the address shown on the Declarations, written notice of cancellation, at least **as set forth in the Declarations** days before the effective date of cancellation. In the event of non-payment of premium, written notice of cancellation shall be **as set forth in the Declarations** days before the effective date of cancellation. If the Named Insured cancels, earned premium

shall be computed in accordance with the customary short rate table and procedure. If the Company cancels, earned premium shall be computed pro rata.

In the event of any underlying war risk insurance being cancelled, such cancellation shall simultaneously cancel any applicable excess coverage provided by this Policy.

G. CONFLICTING STATUTES

In the event that any provision of this Policy is unenforceable by the Insured under the laws of any State or other jurisdiction wherein it is claimed that the Insured is liable for any injury covered hereby, because of non-compliance with any statute thereof, then this Policy shall be enforceable by the Insured with the same effect as if it complied with such statute.

H. CROSS LIABILITY

In the event of an Insured incurring liability to any other Insured, this Policy shall cover that Insured against whom claim is or may be made in the same manner as if separate policies had been issued to each Insured. Nothing contained herein shall operate to increase this Company's limit of liability as set forth in Section I. Insuring Agreement, B. Limit of Liability.

I. CURRENCY

All premiums due under this Policy are payable in United States currency. With respect to claims, all amounts recoverable under this Policy which have been incurred in foreign currencies shall be payable in United States currency computed at the current rate of exchange on the date of payment of the claim.

J. GEOGRAPHICAL LIMITS

This Policy covers the operations of the Insured anywhere in the world.

K. INSOLVENCY OF PRIMARY INSURER

In the event of the bankruptcy or insolvency or inability to pay of any underlying insurer, or in the event of an Insured's inability to pay the amount of any loss from any self-insured retention established by or for the Insured, the insurance afforded under this Policy shall apply only in excess of the applicable limit of liability set forth in the Schedule of Underlying Insurance as if such bankruptcy, insolvency, or inability to pay had not occurred. Under no circumstances shall this Company be required to drop down and assume the obligations of any underlying insurer, who is bankrupt, insolvent or for any reason unable to pay losses and/or expenses.

L. MAINTENANCE OF UNDERLYING INSURANCE

- (1) It is a condition of this Policy that the Policy or policies referred to in the attached "Schedule of Underlying Insurances" shall be maintained in full effect during the currency of this Policy except for any reduction of the aggregate limit or limits contained therein solely by payment of claims in respect of "occurrences" which take place, or offenses which are committed, during the period of this Policy.
- (2) Inadvertent failure of the Insured to comply with sub-division (1) above, or inadvertent failure to notify this Company of any changes in the underlying insurances, shall not prejudice the Insured's rights of recovery under this Policy; but in the event of such failure, this Company is to be liable only to the same extent as it would have been had the Insured complied with sub-division (1) above.

- (3) The Insured shall give this Company prompt written notice as soon as practicable of any change in the status or scope of coverage or in the amount of any "Underlying Insurer's" policy.

M. NOTICE AND DUTIES IN THE EVENT OF CLAIM

Whenever the Insured has information from which it may reasonably be concluded that an "occurrence" or offense likely to involve this Policy has happened, notice shall be sent to this Company as soon as practicable. Notice should include: how, when and where the "occurrence" or offense took place and the names and addresses of any injured persons and witnesses.

If a claim is made or "suit" is brought against any Insured which may result in a claim against this insurance, the Insured must give this Company prompt written notice of the claim or "suit".

However, the failure to notify this Company of any "occurrence" or offense which at the time of its happening did not appear to involve this Policy, but which at a later time would appear to give rise to claims hereunder, shall not prejudice such claims.

N. OTHER INSURANCE

If other valid and collectible insurance with any other insurer is available to the Insured covering a loss or expense also covered by this Policy, other than insurance that is in excess of the insurance afforded by this Policy, the insurance afforded by this Policy shall be in excess of and shall not contribute with such other insurance, either as double insurance or otherwise. Nothing herein shall be construed to make this Policy subject to the terms, conditions, and limitation of any such other insurance.

O. POLICY PERIOD

The Policy period shall be the duration of time as set forth in the Declarations attached to this Policy, during which coverage is in force hereunder, unless sooner terminated as provided under Clause F. Cancellation, of this Section.

P. SUBROGATION

This Company will act in concert with all other interests (including the Insured) concerned in the exercise of any rights of recovery. The apportioning of any amounts which may be so recovered shall follow the principle that any interests (including the Insured) that shall have paid an amount over and above any payment under this Policy shall first be reimbursed up to the amount paid by them; this Company is then to be reimbursed out of any balance then remaining up to the amount paid under this Policy; lastly, the interests (including the Insured) of whom this coverage is in excess are entitled to claim the residue, if any. Expenses necessary to the recovery of any such amounts shall be apportioned between the interests (including the Insured) concerned, in the ratio of their respective recoveries as finally settled.

Q. SUITS AGAINST THIS COMPANY

No action shall lie against this Company for the recovery of any loss sustained by any Insured unless such action is brought against this Company within one year after the final judgment or decree is entered in the litigation against the Insured, or in case the claim against this Company accrues without the entry of such final judgment or decree, unless such action is brought within one year from the date of the payment of such claim; provided, however, that where such limitations of time are prohibited by the laws of the State wherein this Policy is issued, then and in that event no action under this Policy shall be sustainable

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unless commenced within the shortest limitation permitted under the laws of such State.

R. VESSELS INSURED

If this Policy includes a "Schedule of Vessels", then only those vessels listed thereunder are covered by this Policy.

Additional vessels added to any Policy in the "Schedule of Underlying Insurances" by means of an automatic attachment clause shall be deemed to be similarly added to coverage hereunder provided that written notice is given to this Company within 30 days of attachment, or as provided for in the underlying coverage, whichever is greater. Vessels deleted from any Policy in the "Schedule of Underlying Insurances" are simultaneously deleted from this Policy.

Additions to the "Schedule of Vessels" hereunder may be subject to an additional premium to be agreed.

In the event of a change of ownership or management of a vessel insured hereunder to a party not already included as an Insured, coverage upon that vessel shall cease unless the change is noted and agreed to by the "Underlying Insurers", in which case notice of such change shall be communicated to this Company hereunder promptly.

IV. DEFINITIONS

A. ADVERTISEMENT

Advertisement means a notice that is broadcast or published to the general public or specific market segments about the Named Insured's goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

- (1) Notices that are published include material placed on the Internet or on similar electronic means of communication; and
- (2) Regarding web-sites, only that part of a web-site that is about the Named Insured's goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

B. AIRCRAFT

Aircraft means any heavier-than-air or lighter-than-air craft designed to transport persons or property via air. The foregoing does not apply to hovercraft.

C. ANNUAL AGGREGATE LIMIT

Annual Aggregate Limit means the total amount payable during an annual policy period regardless of the number of claims, "occurrences" or offenses during said annual period.

D. AUTOMOBILE

Auto or Automobile means a land motor vehicle, trailer or semi trailer, designed for travel on public roads, including any attached machinery or equipment.

E. BODILY INJURY

Bodily injury means any physical harm, including sickness or disease to the physical health of a person.

This Company will consider any of the following that happens at any time to be part of such physical harm, sickness or disease, if it results in or from such physical harm, sickness or disease:

- (1) Mental anguish, injury or illness;
- (2) Emotional distress;
- (3) Care, loss of services, or death.

F. EMPLOYEE

Employee means any person performing services for an Insured through employment arrangements of any type, including any person described as a leased worker, temporary worker, or borrowed servant.

G. EXECUTIVE OFFICER

Executive officer means a person holding any of the officer positions created by the Named Insured's charter, constitution, by-laws or any other similar governing document.

H. OCCURRENCE

The word occurrence, wherever used in this Policy, means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

I. PERSONAL AND ADVERTISING INJURY

Personal and advertising Injury means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- (1) False arrest, detention or imprisonment;
- (2) Malicious prosecution;
- (3) The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- (4) Oral, written or electronic publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- (5) Oral, written or electronic publication, in any manner, of material that violates a person's right of privacy;
- (6) The use of another's advertising idea in the Named Insured's "advertisement"; or
- (7) Infringing upon another's copyright, trade dress or slogan in the Named Insured's "advertisement".

J. POLLUTANTS

Pollutants means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, petroleum products or derivatives, chemicals, sewerage, spoils, and waste materials or substances. Waste materials or substances includes materials to be recycled, reconditioned or reclaimed.

K. PROPERTY DAMAGE

Property damage means:

- (1) Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- (2) Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

L. SCHEDULE OF UNDERLYING INSURANCES

The words Schedule of Underlying Insurances, wherever used in this Policy, means those insurance policies listed on the schedule attached to this Policy.

M. SCHEDULE OF VESSELS

The words Schedule of Vessels, wherever used in this Policy, mean those watercraft listed on the schedule attached to this Policy.

N. SUIT

Suit means a civil proceeding in which damages to which this insurance applies are alleged. Suit includes:

- (1) An arbitration proceeding in which such damages are claimed and to which the Insured must submit or does submit with our consent; or
- (2) Any other alternative dispute resolution proceeding in which such damages are claimed and to which the Insured submits with our consent.

O. ULTIMATE NET LOSS

The terms Ultimate Net Loss, means the total sum which the Insured becomes obligated to pay by reason of matters set out in Section I. Insuring Agreement, A.. Coverage, including compromise settlements, and shall include hospital, medical, and funeral charges and all sums paid as salaries, wages, compensation, fees, charges, and law costs, premiums on attachment or appeal bonds, interest, expenses for doctors, lawyers, nurses, and investigators and other persons, and for litigation, settlement, adjustment, and investigation of claims and "suits" which are paid as a consequence of any "occurrence" or offense covered hereunder, excluding however, the salaries of the Insured's regular officers and "employees" and general office overhead and also excluding any part of such expenses for which the Insured is covered by other valid and collectible insurance.

P. UNDERLYING INSURERS

The words Underlying Insurers, wherever used in this Policy, means those insurers subscribing to the policies listed in the "Schedule of Underlying Insurances".

COPY

BUMBERSHOOT POLICY FORM

SCHEDULE OF UNDERLYING INSURANCES

Coverage	Company	Policy Number	Limit of Liability	Effective Dates
Protection & Indemnity/Towers/Collision	St. Paul Fire & Marine Insurance Co.	OH08400495	\$1,000,000	06/09/2009 to 06/09/2010
Marine General Liability	St. Paul Fire & Marine Insurance Co.	OL08400599	\$1,000,000 Occurrence \$2,000,000 Aggregate	06/09/2009 to 06/09/2010
MEL / EL	SeaBright Insurance Co	BB1091932	\$1,000,000	06/09/2009 to 06/09/2010
Automobile Liability	St. Paul Fire & Marine Insurance Co.	BA-5567N683	\$1,000,000	06/09/2009 to 06/09/2010
Vessel Pollution	WQIS	4/50691	\$5,000,000	06/09/2009 to 06/09/2010

Name of Insured
PACIFIC PILE & MARINE LP

Policy Number OX08400205

Effective Date 06/09/09

Processing Date 08/10/09 12:16 001

BUMBERSHOOT POLLUTION LIABILITY

It is hereby understood and agreed that the following is added to General Exclusion (19) of this Policy:

1. Pollution Emanating From Watercraft

With respect to pollution emanating from watercraft:

- Owned by the Named Insured, or
 - Leased or chartered on a bareboat basis by the Named Insured
- (1) This exclusion shall not apply, except as provided in sub-division 1.(2) below, if such loss, damage, injury or expense is covered by valid and collectible underlying insurance listed in the "Schedule of Underlying Insurances" for the full limit shown therein, and then any coverage provided by this Policy for such loss, damage, injury or expense will be on a following-form excess basis and subject to the limitations of said Underlying Insurance.
- (2) Notwithstanding the provisions of sub-division 1.(1) above, this exclusion shall apply and there shall be no coverage under this Policy for:
- (a) Any loss, damage, injury or expense paid or incurred in consequence of any such pollution unless proximately caused by fault on the part of the Insured; or
 - (b) Any fines, penalties, punitive damages, exemplary damages, or the portion of any multiplied damages award that exceeds the amount multiplied, whether imposed pursuant to statute or otherwise;
 - (c) Any costs of criminal defense.

2. Pollution Emanating From Sources Other Than Watercraft

With respect to pollution emanating from sources other than watercraft:

- Owned by the Named Insured, or
 - Leased or chartered on a bareboat basis by the Named Insured
- (1) This exclusion shall not apply, except as provided in sub-division 2.(2) below, provided that the Insured establishes that all of the following conditions have been met:
- (a) Such loss, damage, injury or expense is covered by valid and collectible underlying insurance listed in the "Schedule of Underlying Insurances", for the full limit shown therein, and then any coverage provided by this Policy for such loss, damage, injury or expense will be on a following-form excess basis and subject to the limitations of said Underlying Insurance;
 - (b) The accident was caused by some intervening event and was neither expected nor intended by the Insured;

Name of Insured
PACIFIC PILE & MARINE LP

Policy Number OX08400205

Effective Date 06/09/09

Processing Date 08/10/09 12:16 001

- (c) The accident can be identified as commencing at a specific time and date during the policy period of this Policy;
 - (d) The accident became known to the Insured within 72 hours after its commencement, and was reported to this Company within 30 days thereafter;
 - (e) The accident did not result from the Named Insured's intentional and willful violation of any government statute, rule or regulation.
- (2) Notwithstanding the provisions of sub-division 2.(1) above, this exclusion shall apply and there shall be no coverage under this Policy for:
- (a) Loss of, damage to or loss of use of property directly or indirectly resulting from subsidence caused by sub-surface operations performed by or on behalf of the Insured;
 - (b) Removal of, loss of or damage to sub-surface oil, gas or any other substance;
 - (c) Fines, penalties, punitive damages, exemplary damages, or the portion of any multiplied damages award that exceeds the amount multiplied;
 - (d) Costs of criminal defense;
 - (e) Losses resulting from blowout and/or cratering;
 - (f) Pollution emanating from watercraft which is owned by, leased by, or bareboat chartered to the Insured;
 - (g) Any site or location used in whole or in part for the handling, processing, treatment, storage, disposal or dumping of any waste materials or substances, or the transportation of any waste materials or substances,

except this exclusion shall not apply to:

The incidental handling, storage or transportation of waste materials or substances which occurs at the maritime facilities designated in coverage contained in the Scheduled Underlying Insurance, in connection with covered operations; however any coverage provided by virtue of this exception shall be strictly excess of Scheduled Underlying Insurance.

The insurance afforded by this Endorsement shall not increase the limit of this Company's liability under this Policy.

OIL POLLUTION ACT DISCLAIMER CLAUSE

This insurance does not constitute evidence of financial responsibility under the Oil Pollution Act of 1990 or any similar Federal or State Law, and it is a condition of this insurance that it shall not be submitted to the United States Coast Guard or any other Federal or State Agency as evidence of financial responsibility. This Company does not consent to be a guarantor.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned policy, other than as above stated.

**TERRORISM RISK INSURANCE ACT
CERTIFIED ACTS OF TERRORISM EXCLUSION ENDORSEMENT**

It is hereby understood and agreed that:

1. The following exclusion is added to II. A. General Exclusions:

(1) **Terrorism**

Any liability for loss, injury, damage or expense arising out of any "certified act of terrorism".

As used in this exclusion:

"Certified Act of Terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a certified act of terrorism include the following:

- The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
- The act is a violent act or an act that is dangerous to human life, property, or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned policy, other than as above stated.

Name of Insured

PACIFIC PILE & MARINE LP

Policy Number OX08400205

Effective Date 06/09/09

Processing Date 08/10/09 12:16 001

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**DISCLOSURE NOTICE
TERRORISM RISK INSURANCE ACT OF 2002
REJECTION OF OUR OFFER OF COVERAGE**

You did not accept our offer of coverage for certified acts of terrorism, as defined in and certified under the Terrorism Risk Insurance Act of 2002. Therefore, this policy contains one or more exclusions that apply to certified acts of terrorism. Under the federal Terrorism Risk Insurance Program Reauthorization Act of 2007, the applicable definition of certified acts of terrorism no longer requires that the act of terrorism be committed on behalf of a foreign person or foreign interest. Therefore, each such exclusion is not limited to an act of terrorism committed on behalf of a foreign person or interest.

If you were not made aware of our offer of coverage for certified acts of terrorism, or believe that this notice was included in this policy in error, please notify your agent or broker immediately.

Name of Insured: PACIFIC PILE & MARINE LP

Policy Number: OX08400205

Effective Date: 06/09/09

Processing Date: 08/10/09 12:16 001

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IMPORTANT NOTICE - INDEPENDENT AGENT AND BROKER COMPENSATION

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR BROKER IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.

For information about how Travelers compensates independent agents and brokers, please visit www.travelers.com, call our toll-free telephone number, 1-866-904-8348, or you may request a written copy from Marketing at One Tower Square, 2GSA, Hartford, CT 06183.



OCEAN MARINE CLAIM

COVERING THE WATERS OF THE WORLD

At Travelers, we know that professional claim handling means knowing that you'll get answers, not hassles. It means knowing that your clients will be treated fairly, and that their claims will receive prompt attention and unmatched professional service. It means knowing that you'll be working with an experienced staff who understand your client's business and will do what they promise - whether it's returning a phone call or e-mail, making a personal visit or sending a check. Most importantly, it's knowing that what matters to you is what matters to us.

Our dedicated Ocean Marine Claim Unit, under the leadership of Anthony Corsale, features professionals located where you need them - in the field. Working in tandem with our claim handlers, our recovery specialists help maximize your recovery potential while keeping your expenses to a minimum.

For the most efficient claim service, please call, fax or e-mail your claims directly to the regional or specialty manager for the state where you are located.

Region / Specialty	States	Manager
West	AZ, CA, CO, HI, NM, NV, UT	Donna Zeller Phone: 206.464.5740 Fax: 206.464.3432 E-mail: dzeller@travelers.com
Northwest	AK, ID, MT, OR, WA, WY	Donna Zeller Phone: 206.464.5740 Fax: 206.464.3432 E-mail: dzeller@travelers.com
Midwest	IA, IL (northern), IN, KY, MI, MN, ND, NE, OH, SD, WI	Wyndell Hunt Phone: 281.606.7251 Fax: 281.606.8516 E-mail: wdhunt@travelers.com
Northeast	CT, MA, ME, NH, NY, RI, VT	Theresa Gilbert Phone: 917.778.6411 Fax: 917.778.7009 E-mail: tgilbert@travelers.com
Mid-Atlantic and Southeast	AL, DC, DE, FL, GA, MD, NC, NJ, PA, SC, TN, VA, WV	Mark Smieya Phone: 732.205.9275 Fax: 888.479.0550 E-mail: msmieya@travelers.com
South Central	AR, IL (southern), KS, LA, MO, MS, OK, TX	Wyndell Hunt Phone: 281.606.7251 Fax: 281.606.8516 E-mail: wdhunt@travelers.com
Recovery	Countrywide	Suzanne Chaffer Phone: 631.577.7403 Fax: 631.577.7877 E-mail: schaffer@travelers.com
Yachts	Countrywide	Joe Grenzebach Phone: 206.464.5739 Fax: 206.464.3432 E-mail: jgrenzeb@travelers.com

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COPY

POLICY CHANGE ENDORSEMENT - FOR CERTAIN TYPES OF CHANGES ONLY

The **St Paul**

This endorsement summarizes certain changes to your policy. All other terms of your policy not affected by these changes remain the same.

How Your Policy Is Changed

The following item(s):

- | | |
|---|--|
| <input type="checkbox"/> Insured's Name | <input type="checkbox"/> Insured's Mailing Address |
| <input type="checkbox"/> Policy Number | <input type="checkbox"/> Company |
| <input type="checkbox"/> Effective/Expiration Date | <input type="checkbox"/> Insured's Legal Status/ Bus. of Insured |
| <input type="checkbox"/> Payment Plan | <input type="checkbox"/> Premium Determination |
| <input type="checkbox"/> Additional Interested Parties | <input type="checkbox"/> Coverage Forms and Endorsements |
| <input type="checkbox"/> Limits/Exposures | <input type="checkbox"/> Deductibles |
| <input checked="" type="checkbox"/> Covered Property/Location Description | <input type="checkbox"/> Classification/Class Codes |
| <input type="checkbox"/> Rates | <input type="checkbox"/> Underlying Insurance |

is (are) changed to read: (See also back page and additional page(s) if applicable)

Effective June 9, 2009 and in consideration of the premium charged it is hereby understood and agreed that the following have been added to the vessel schedule:

Leased from Blue Water Marine, Inc.

6 - 40'x10'x7' used steel flexifloats - total value = \$360,000 ✓

1 - 20'x10'x7' used steel flexifloats - total value = \$ 38,000 ✓

also

11 - 40'x10'x7' steel flexifloats - total value = \$203,000 ✓

4 - 20'x10'x7' steel flexifloats - total value = \$ 52,000 ✓

Premium Change Which Is Due Now

☒ No change ☐ To be adjusted at audit

Additional premium

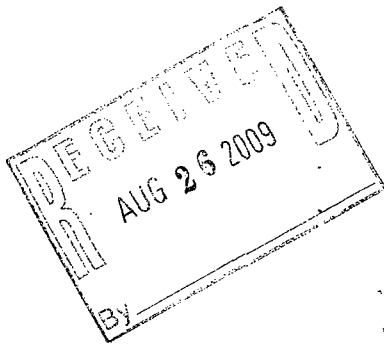
Returned premium

If issued after the date your policy begins, these spaces must be completed and our representative must sign below.

Policy issued to:
PACIFIC PILE & MARINE LP

Authorized representative

Endorsement takes effect: Policy number:
06/09/09 OX08400205
Processing date: 08/20/09 17:10 002



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SUBSCRIBERS PAGE

IN WITNESS WHEREOF, the Subscribers hereunder each severally, but not jointly, and not on the part of one for the other or any of the others have caused this policy to be signed by a duly authorized officer, attorney or agency, this 9th day of June , 2009.

<u>INSURER AND POLICY NUMBER</u>	<u>PARTICIPATION</u>	<u>PREMIUM</u>	<u>AUTHORIZED SIGNATURE FOR INSURER AND DATE</u>
St. Paul Fire & Marine Insurance Co. OX08400205	50%	nil	

Firemen's Fund Insurance Co. OXL92001837	50%	nil	
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Endorsement Change #002

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

Name of Insured	Effective Date 06/09/09
PACIFIC PILE & MARINE LP	Processing Date 08/20/09 17:10 002

DISCLOSURE NOTICE

TERRORISM RISK INSURANCE ACT OF 2002

On December 26, 2007, the President of the United States signed into law amendments to the Terrorism Risk Insurance Act of 2002 (the "Act"), which, among other things, extend the Act and expand its scope. The Act establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in the Act) caused by "acts of terrorism". An "act of terrorism" is defined in Section 102(l) of the Act to mean any act that is certified by the Secretary of the Treasury - in concurrence with the Secretary of State and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States Mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

The federal government's share of compensation for Insured Losses is 85% of the amount of Insured Losses in excess of each Insurer's statutorily established deductible, subject to the "Program Trigger", (as defined in the Act). In no event, however, will the federal government or any Insurer be required to pay any portion of the amount of aggregate Insured Losses occurring in any one year that exceeds \$100,000,000,000, provided that such Insurer has met its deductible. If aggregate Insured Losses exceed \$100,000,000,000 in any one year, your coverage may therefore be reduced.

The premium charge shown below is for coverage under this policy for insured losses covered by the Act. This terrorism premium does not include any charges for the portion of insured losses covered by the federal government under the Act.

If \$0 is shown below for the certified acts of terrorism premium charge, this policy provides such terrorism coverage for no premium charge.

The certified acts of terrorism premium charge shown below applies to all coverage under this policy for Insured Losses covered by the Act that you purchased for a premium charge. For any insuring agreement or coverage part for which you did not purchase such terrorism coverage, this policy may include one or more terrorism exclusions that apply to certified acts of terrorism. Under the federal Terrorism Risk Insurance Program Reauthorization Act of 2007, the applicable definition of certified acts of terrorism no longer requires that the act of terrorism be committed on behalf of a foreign person or foreign interest. Therefore, each such exclusion is not limited to an act of terrorism committed on behalf of a foreign person or interest.

Name of Insured: PACIFIC PILE & MARINE LP

Policy Number: 0X08400205

Effective Date: 06/09/09

Certified Acts Of Terrorism Premium Charge: \$1,500.

Processing Date: 12/23/09 13:04 003

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COPY

POLICY CHANGE ENDORSEMENT - FOR CERTAIN TYPES OF CHANGES ONLY

The **St Paul**

This endorsement summarizes certain changes to your policy. All other terms of your policy not affected by these changes remain the same.

How Your Policy Is Changed

The following item(s):

- | | |
|--|---|
| <input type="checkbox"/> Insured's Name | <input type="checkbox"/> Insured's Mailing Address |
| <input type="checkbox"/> Policy Number | <input type="checkbox"/> Company |
| <input type="checkbox"/> Effective/Expiration Date | <input type="checkbox"/> Insured's Legal Status/ Bus. of Insured |
| <input type="checkbox"/> Payment Plan | <input type="checkbox"/> Premium Determination |
| <input type="checkbox"/> Additional Interested Parties | <input checked="" type="checkbox"/> Coverage Forms and Endorsements |
| <input type="checkbox"/> Limits/Exposures | <input type="checkbox"/> Deductibles |
| <input type="checkbox"/> Covered Property/Location Description | <input type="checkbox"/> Classification/Class Codes |
| <input type="checkbox"/> Rates | <input type="checkbox"/> Underlying Insurance |

is (are) changed to read: (See also back page and additional page(s) if applicable)

Effective inception and in consideration of an additional premium of \$1,500 it is hereby understood and agreed that TRIA coverage is added to this policy.

The following forms are deleted:

Disclosure Notice Terrorism Risk Insurance Act of 2002 Rejection of Our
Offer of Coverage - D0101
Terrorism Risk Insurance Act Certified Acts of Terrorism Exclusion
Endorsement - OMBU0315

The following forms are added:

Disclosure Notice Terrorism Risk Insurance Act of 2002 - D0100
CAP On Losses From Certified Acts Of Terrorism Endorsement - D0144

Premium Change Which Is Due Now

☐ No change ☐ To be adjusted at audit

Additional premium \$1,500

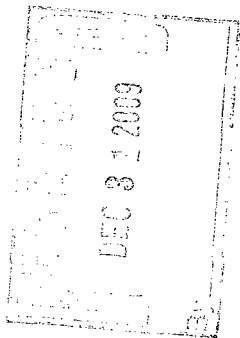
Returned premium

If issued after the date your policy begins, these spaces must be completed and our representative must sign below.

Policy issued to:
PACIFIC PILE & MARINE LP

Authorized representative

Endorsement takes effect: 06/09/09
Policy number: 0X08400205
Processing date: 12/23/09 13:04 003



CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM ENDORSEMENT

This endorsement changes any and all property or other first-party protection and any and all liability protection provided by your policy, other than any of the following provided by your policy:

- Coverage that is changed by an exclusion that applies to certified acts of terrorism.
- Commercial auto coverage.
- Commercial crime coverage.
- Coverage that has Professional Liability in the title of that insuring agreement.

How Coverage Is Changed

There are two changes which are explained below.

1. The following is added to your insuring agreement. This change can limit coverage for losses arising out of certified acts of terrorism if such losses are otherwise covered by your policy.

If aggregate insured losses attributable to certified acts of terrorism exceed \$100 billion in a Program Year (January 1 through December 31), and we have met our insurer deductible under the Terrorism Risk Insurance Act:

- we won't be responsible for the payment of any portion of the amount of such losses that exceeds \$100 billion; and
- insured losses up to \$100 billion will be subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

Certified act of terrorism means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal

Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a certified act of terrorism include the following:

- The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
 - The act is a violent act or an act that is dangerous to human life, property, or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
2. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this policy.

Other Terms

All other terms of your policy remain the same.

CC: 000 D628
003
000 T:
00 I:
* M:
* 5 C O O 2 OX08400205 15249

SUBSCRIBERS PAGE

IN WITNESS WHEREOF, the Subscribers hereunder each severally, but not jointly, and not on the part of one for the other or any of the others have caused this policy to be signed by a duly authorized officer, attorney or agency, this 9th day of June , 2009.

<u>INSURER AND POLICY NUMBER</u>	<u>PARTICIPATION</u>	<u>PREMIUM</u>	<u>AUTHORIZED SIGNATURE FOR INSURER AND DATE</u>
St. Paul Fire & Marine Insurance Co. OX08400205	50%	\$750	

Firemen's Fund Insurance Co. OXL92001837	50%	\$750	
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Endorsement Change #003

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

Name of Insured

PACIFIC PILE & MARINE LP

Effective Date 06/09/09

Processing Date 12/23/09 13:04 003

OMGE0109 Ed. 8-07

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Page 1 of 1

COPY

POLICY CHANGE ENDORSEMENT - FOR CERTAIN TYPES OF CHANGES ONLY**The St Paul**

This endorsement summarizes certain changes to your policy. All other terms of your policy not affected by these changes remain the same.

How Your Policy Is Changed

The following item(s):

- | | |
|--|--|
| <input checked="" type="checkbox"/> Insured's Name | <input checked="" type="checkbox"/> Insured's Mailing Address |
| <input type="checkbox"/> Policy Number | <input type="checkbox"/> Company |
| <input type="checkbox"/> Effective/Expiration Date | <input type="checkbox"/> Insured's Legal Status/ Bus. of Insured |
| <input type="checkbox"/> Payment Plan | <input type="checkbox"/> Premium Determination |
| <input type="checkbox"/> Additional Interested Parties | <input type="checkbox"/> Coverage Forms and Endorsements |
| <input type="checkbox"/> Limits/Exposures | <input type="checkbox"/> Deductibles |
| <input type="checkbox"/> Covered Property/Location Description | <input type="checkbox"/> Classification/Class Codes |
| <input type="checkbox"/> Rates | <input checked="" type="checkbox"/> Underlying Insurance |

is (are) changed to read: (See also back page and additional page(s) if applicable)

Effective June 9, 2009 and in consideration of the premium charged it is hereby understood and agreed to the following corrections:

Named Insured is corrected per attached.

Mailing address is corrected to: 582 South Riverside Drive, Seattle, WA 98108

Underlying schedule is corrected per attached.

Premium Change Which Is Due Now

☒ No change ☐ To be adjusted at audit

Additional premium

Returned premium

If issued after the date your policy begins, these spaces must be completed and our representative must sign below.

Policy issued to:
PACIFIC PILE & MARINE LP

Authorized representative

Endorsement takes effect: Policy number:
06/09/09 0X08400205

Processing date: 06/22/10 13:34 004

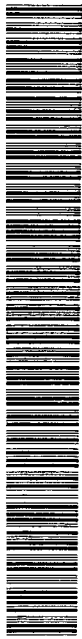
0-100

* 4 C O O 2 OX08400205 14073 * M: 00 I: 000 T: 004 CC: 000 D628

COPY

Named Insured

Pacific Pile & Marine, LP
Pacific Pile & Marine Management, Inc.
Cascade Barge & Equipment, LLC
Inland Barge LLC
Saltair Equipment, LLC
Brackish Properties, LLC.
Pacific Pile & Marine LP, Limited Partnership
Pacific Pile & Marine Management INC. GP



Name of Insured

Policy Number OX08400205

Effective Date 06/09/09

PACIFIC PILE & MARINE LP

Processing Date 06/22/10 13:34 004

SUBSCRIBERS PAGE

IN WITNESS WHEREOF, the Subscribers hereunder each severally, but not jointly, and not on the part of one for the other or any of the others have caused this policy to be signed by a duly authorized officer, attorney or agency, this 7th day of June , 2009.

<u>INSURER AND POLICY NUMBER</u>	<u>PARTICIPATION</u>	<u>PREMIUM</u>	<u>AUTHORIZED SIGNATURE FOR INSURER AND DATE</u>
St. Paul Fire & Marine Insurance Co. OX08400205	50%	nil	

Firemen's Fund Insurance Co. OXL92001837	50%	nil	
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ENDORSEMENT CHANGE #004

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

Name of Insured

PACIFIC PILE & MARINE LP

Effective Date 06/09/09

Processing Date 06/22/10 13:34 004

OMGE0109 Ed. 8-07

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COPY

BUMBERSHOOT POLICY FORM**SCHEDULE OF UNDERLYING INSURANCES**

Coverage	Company	Policy Number	Limit of Liability	Effective Dates
Protection & Indemnity/Towers/Collision	St. Paul Fire & Marine Insurance Co.	OH08400495	\$1,000,000	06/09/2009 to 06/09/2010
Marine General Liability	St. Paul Fire & Marine Insurance Co.	OL08400599	\$1,000,000 Occurrence \$2,000,000 Aggregate	06/09/2009 to 06/09/2010
MEL / EL	SeaBright Insurance Co	BB1091732	\$1,000,000	06/09/2009 to 06/09/2010
Automobile Liability	St. Paul Fire & Marine Insurance Co.	BA-5567N683	\$1,000,000	06/09/2009 to 06/09/2010
Vessel Pollution	WQIS	4250691	\$5,000,000	06/09/2009 to 06/09/2010

Name of Insured
PACIFIC PILE & MARINE LP

Policy Number OX08400205

Effective Date 06/09/09

Processing Date 06/22/10 13:34 004

Coverage	Company	Policy Number	Limit of Liability	Effective Dates
Stop Gap Liability	St. Paul Fire & Marine Insurance Co.	OL08400599	\$1,000,000 Occurrence \$2,000,000 Aggregate.	06/09/2009 to 06/09/2010

COPY

POLICY CHANGE ENDORSEMENT - FOR CERTAIN TYPES OF CHANGES ONLYThe **St Paul**

This endorsement summarizes certain changes to your policy. All other terms of your policy not affected by these changes remain the same.

How Your Policy Is Changed

The following item(s):

- | | |
|---|--|
| <input type="checkbox"/> Insured's Name | <input type="checkbox"/> Insured's Mailing Address |
| <input type="checkbox"/> Policy Number | <input type="checkbox"/> Company |
| <input type="checkbox"/> Effective/Expiration Date | <input type="checkbox"/> Insured's Legal Status/ Bus. of Insured |
| <input type="checkbox"/> Payment Plan | <input type="checkbox"/> Premium Determination |
| <input type="checkbox"/> Additional Interested Parties | <input type="checkbox"/> Coverage Forms and Endorsements |
| <input type="checkbox"/> Limits/Exposures | <input type="checkbox"/> Deductibles |
| <input checked="" type="checkbox"/> Covered Property/Location Description | <input type="checkbox"/> Classification/Class Codes |
| <input type="checkbox"/> Rates | <input type="checkbox"/> Underlying Insurance |

is (are) changed to read: (See also back page and additional page(s) if applicable)

Effective August 7, 2009 and in consideration of the premium charged it is hereby understood and agreed that the following is added to the Schedule of Vessels:

barge "MR. FRITZ"

And

Effective September 18, 2009 the following is added to the Schedule of Vessels:

tug "MR. BACIC"

Premium Change Which Is Due Now

☒ No change ☐ To be adjusted at audit

Additional premium

Returned premium

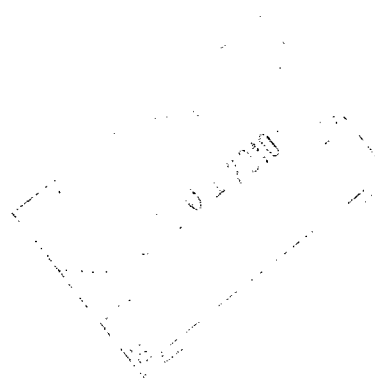
If issued after the date your policy begins, these spaces must be completed and our representative must sign below.

Policy issued to:
PACIFIC PILE & MARINE LP

Authorized representative

Endorsement takes effect: Policy number:
08/07/09 0X08400205

Processing date: 06/22/10 13:59 005



SUBSCRIBERS PAGE

IN WITNESS WHEREOF, the Subscribers hereunder each severally, but not jointly, and not on the part of one for the other or any of the others have caused this policy to be signed by a duly authorized officer, attorney or agency, this 7th day of August , 2009.

<u>INSURER AND POLICY NUMBER</u>	<u>PARTICIPATION</u>	<u>PREMIUM</u>	<u>AUTHORIZED SIGNATURE FOR INSURER AND DATE</u>
St. Paul Fire & Marine Insurance Co. OX08400205	50%	nil	

Firemen's Fund Insurance Co. OXL92001837	50%	nil	
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ENDORSEMENT CHANGE #005

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

Name of Insured

PACIFIC PILE & MARINE LP

Effective Date 08/07/09

Processing Date 06/22/10 13:59 005

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Page 1 of 1

2008-2009

Excess

Bumbershoot

OCEAN MARINE POLICY OF INSURANCE NAVIGATORS INSURANCE COMPANY

In consideration of the premium hereinafter stated, the Companies named herein agree to insure the assured named herein in the amount(s) and subject to the terms, conditions, stipulations, forms, clauses, endorsements attached hereto and which are hereby made a part of this Policy.

POLICY NUMBER: SE08LIA9194/81

ASSURED: Pacific Pile & Marine LP
582 Riverside Drive
Seattle, WA 98108

ADDITIONAL ASSURED: As per Endorsement #1 attached hereto

POLICY PERIOD: December 19, 2008 to June 9, 2009
Beginning and ending at Noon, Pacific Standard Time

INTEREST INSURED: Excess Marine Bumbershoot and Excess Liability Coverage as scheduled hereunder

LIMIT OF LIABILITY: \$5,000,000.00 excess of \$5,000,000 Excess of Scheduled Underlying (\$1,000,000.00 minimum per accident or occurrence), as per policy

PREMIUM: \$14,000.00 Minimum Earned Premium

BROKER: Bacic Group LLC
1011 NE High Street, Suite 101
Issaquah, WA 98029

by:

Rebecca Stinson Lane

Date: 9/24/09

On behalf of Navigators Insurance Company through
Navigators Insurance Services of WA, Inc.

COPY



EXCESS MARINE BUMBERSHOOT AND EXCESS LIABILITIES

1. ASSURED:

A. NAMED ASSURED: Pacific Pile & Marine LP
582 S. Riverside Drive
Seattle, WA

B. ADDITIONAL ASSURED: (see Special Conditions, Clause 9A)
Any subsidiary, associated or affiliated companies over which the Named Assured has financial or managerial control.

2. POLICY PERIOD: December 19, 2008 to June 9, 2009
beginning and ending at Noon, Pacific Standard Time

3. COVERAGE:

These Assurers will pay on behalf of the Assured (subject to the provisions, limitations, terms, conditions, definitions and exclusions hereinafter mentioned) all sums, including such expenses as are set out in the Definition of "Ultimate Net Loss", which the Assured shall become legally obligated to pay arising out of operations of the Named Assured(s) and/or ownership of vessels or other property of the Named Assured(s), caused by an accident or occurrence happening anywhere in the world during the policy period by reason of:

EITHER

A. All Liabilities insured against under any Scheduled Underlying Policy as set forth in the Schedule of Underlying Insurance. This policy shall provide excess coverage on a "following form" basis over the Scheduled Underlying Insurances, subject to all of the provisions, limitations, terms, conditions, definitions and exclusions of this policy;

OR

B. Liabilities NOT covered by Scheduled Underlying Insurance arising from:

1. All Protection and Indemnity risks for which coverage would be provided by form SP23 with Clause 8 (Cargo) and Clause 13 (Cargo's proportion of general average) deleted;
2. General Average, Collision Liabilities, Towers Liabilities, Salvage, Salvage Charges and Sue and Labor for which coverage would be provided by the American Institute Hull Clauses (6/77) with the Towers "D" Form attached thereto;
3. All other Marine Liabilities for which the Assured shall become legally liable to pay in respect of claims made against the Assured for damages on account of:
 - (a) Bodily or personal injuries, including death resulting therefrom;
 - (b) Property Damage;

if such liabilities are not excluded by Scheduled Underlying Insurance, subject always to all the provisions, limitations, terms, conditions, definitions and exclusions of this policy, and Scheduled Underlying Insurances. Excluding deductibles, self-insured retentions, sublimits or as excluded elsewhere in this policy

4. LIMIT OF LIABILITY: These Assurers shall only be liable for:

EITHER

A. \$ 5,000,000.00 Ultimate Net Loss (as defined in Clause 10-U), each accident or occurrence excess of any Scheduled Underlying Policy set out in the attached Schedule of Underlying Insurance that provides coverage on an "each accident or occurrence" basis.



OR

B. \$ 5,000,000.00 Ultimate Net Loss (as defined in Clause 10-U), in the aggregate per policy period excess of any Scheduled Underlying Policy set out in the attached Schedule of Underlying Insurance that provides coverage on any annual "aggregate" basis OR if the liability of the Assured is for:

1. Products and/or any completed operations (as defined in the Scheduled Underlying Policy or herein).
2. A claim not covered by any of the Scheduled Underlying Insurance and is being presented as a "Not Otherwise Insured" claim under Clause 3B (1, 2, or 3) of this policy.

The above limits shall apply regardless of the number of types of liabilities insured against hereunder, or the number of vessels or risks involved, or the inclusion of one or more Assured(s) hereunder.

UNDERLYING LIMITS

This insurance is WARRANTED FREE of any claim hereunder UNLESS such liability in respect to the same accident or occurrence (or in the aggregate if the Scheduled Underlying Policy is written on an annual aggregate basis) EXCEEDS:

EITHER

A. The amount(s) of the limit(s) set out in the attached Schedule of Underlying Insurance per Coverage Clause 3A.;

all hereinafter referred to as the "Underlying Limits", and only for the amount in excess of such Underlying Limits subject to the Limit of Liability (Clause 4) set forth above.

This policy does not cover any claim for any deductible or self-insured retention in any Underlying Policy, nor for any amount excess of a sub-limit in any Scheduled Underlying Policy less than the amount set forth for that policy in the Schedule of Underlying Insurance of this policy.

With respect to General Average, Collision Liabilities, Towers Liabilities, Salvage, Salvage Charges, Sue and Labor expenses and liabilities actually insured under Underlying Policies, the sum(s) of said amounts actually insured under the Underlying Policies shall be deemed to be the amount(s) of the limit(s) of said Underlying Policies.

See also Special Conditions 9-I "Maintenance of Scheduled Underlying Insurance".

5. PREMIUM:

This policy is issued in consideration of a minimum earned premium of \$14,000.00, payable at inception

6. CURRENCY:

Premium and losses under this policy are payable in U.S. Dollars. (See also Special Condition Clause 9-I-(4).

7. ABSOLUTE EXCLUSIONS (CLAUSE PARAMOUNT)

The following exclusions shall be paramount and shall override and supersede any provision of any Underlying Policy or inconsistent provision of this policy unless otherwise agreed by these Assurers and specifically endorsed hereon.

THIS POLICY SHALL EXCLUDE and be free of all direct, indirect and/or consequential liability, and free of any loss, damage, cost, expense, bodily injury, personal injury, property damage, loss of use, fine or penalty, and/or duty to defend arising out of, caused by or resulting from:

A. Violation of or non-compliance with statutes, laws, ordinances or regulations regarding:

1. Responsibilities and/or duties imposed upon the Assured by the Unemployment Compensation Act and/or Employees Retirement Income Security Act (ERISA);



2. Responsibilities and/or duties imposed upon the Assured by the Securities and Exchange Act;
3. Anti-trust laws, unfair competition, restraint of trade, or any similar acts or regulations;
4. Any other law, statute, ordinance or regulation --unless such claims be for damages occasioned by actual or alleged bodily injury or death or physical loss or damage to tangible property (including loss of use resulting therefrom);

- B.
1. Loss of life of, injury to, or illness of any subcontractor's employee or employee of a terminal.
 2. Responsibilities and/or duties imposed upon the Assured by Worker's Compensation Acts of any District, State or Nation, Longshoremen and Harbor Worker's Compensation Act, Defense Base Act, Outer Continental Shelf Lands Act or any similar Compensation Act;
 3. Occupational disease in respect of any employee - including without limitation "borrowed employees" of the Assured - that may arise under any workmen's compensation law, unemployment compensation or disability benefit laws, Federal Longshoremen and Harbor Workers Act, or any similar laws, and/or by reason of the relationship of master and servant;
 4. Any liability for bodily injury or property damage, including loss of use thereof directly or indirectly arising out of or in consequence of the manufacturing, processing, handling, distribution, sale, application, removal or use of asbestos, or asbestos related product(s) or any materials containing asbestos in whatever form or quantity.
 5. Notwithstanding anything to the contrary contained in this policy, no coverage is granted by this policy for any claim or expense (including but not limited to defense cost) arising out of the following exclusion.
 - a. POLYCHLORINATED BIPHENYL (P.C.B.): - Bodily injury or Personal Injury or loss of, damage to or loss of use or property directly or indirectly caused by Polychlorinated Biphenyl. The Term PCB as used in this exclusion means Polychlorinated Biphenyl or any derivative thereof.
 - b. SILICA: - Bodily Injury or Personal Injury or loss of, damage to or loss of use of property directly or indirectly caused by Silica.
 - c. LEAD: - Bodily Injury or Personal Injury or loss of, damage to or loss of use of property directly or indirectly caused by lead and/or lead related compounds and/or lead derivatives.

It is further agreed that this policy shall not apply to any liability for Bodily Injury or Personal Injury and/or Property Damage made by or on behalf of any person or persons directly or indirectly on account of continuous, intermittent or repeated exposures to, ingestion, inhalation, or absorption of, any substances, materials, products, wastes or emissions, noise or environmental disturbance where the Assured is or may be liable for any reason including, but not limited to, as a result of the manufacture, production, extraction, sale, handling, utilization, distribution, disposal or creation by or on behalf of the Assured of such substances, materials, products, wastes or emissions, noise or environmental disturbance.

For the purpose of this clause, the term "Personal Injury" shall mean bodily injury or insult (including death at any time resulting therefrom), mental injury, mental anguish, shock, sickness, disease, disability, detention, humiliation or wrongful eviction.

6. Any liability to the spouse, child, parent, brother or sister, or dependent of any employee as a consequence of clause B.3., B.4. and B.5. above.

These exclusions B.3., B.4., B.5. and B.6. above apply:

- (i) whether the Assured may be liable as an employer or in any other capacity; and
- (ii) to any obligation to share damages with or repay any party who is required to pay damages because of the injury.

- C. Fines, penalties, statutory liabilities, or any type of punitive or exemplary damages;
- D. Fraud, infidelity and/or dishonesty or Fiduciary Liability of the Assured, (or any representative or employees of the Assured committed individually or in collusion with others);



- E. Any actual or alleged unlawful acts, whether such acts are alleged to be intentional or otherwise, and/or any violation of or non-compliance with statutes, laws, ordinances or regulations regarding or related to:
- (1) any refusal to employ or retraction of any employment offer;
 - (2) any suspension or termination of employment of any employee of the Assured, including wrongful discharge of employees;
 - (3) any employment-related practices, policies, acts or omissions such as but not limited to:
 - (i) the coercion, demotion, evaluation, reassignment, discipline, civil or criminal prosecution, defamation, harassment, or humiliation of any employee of the Assured;
 - (ii) discrimination or harassment of any nature whatsoever against any employee of the Assured, including but not limited to discrimination based on race, color, creed, religion, sex, age, national origin, alienage, handicap, disability or sexual orientation;
 - (4) actual or alleged violations of the Americans with Disabilities Act;
 - (5) any bodily injury, personal injury, property damage or other liability directly or indirectly caused by or arising out of any of the foregoing; or
 - (6) claims made by relatives of any person at whom any of the foregoing is directed.

This exclusion (E) applies:

- (i) whether the insured may be liable as an employer or in any other capacity; and
- (ii) to any obligation to share damages with or repay someone else who must pay damages because of the injury.

F. Management of any Employee Benefit Plan(s);

Liability arising out of any act or omission of the Assured, or any other person or entity for whose acts or omissions the Assured is legally liable, in respect of the Assured's Employee Benefits.

As used in this exclusion, the term "Employee Benefits" includes, without limitation, Group Life Insurance, Group Health Insurance, Profit-Sharing Plans, Pension Plans, Employee Stock Subscription Plans, Workers' Compensation, Unemployment Insurance, Social Security and Disability Benefits Insurance.

Without limitation, this exclusion shall include:

- a. Bodily Injury, illness or death of any person;
- b. Property Damage;
- c. Any dishonest, fraudulent, criminal, or malicious act or omission, or out of libel, slander, discrimination or humiliation by the Assured or any person or entity for whose acts or omissions the Assured is legally liable;
- d. Advices given by an Assured to an employee to participate or not to participate in any investment or savings program, stock subscription, individual retirement account, or salary reduction plan;
- e. The failure to provide benefits because they are not properly funded, or an insurance company's failure to comply with terms of its policy;
- f. The termination of any employee benefits plan;



- g. The violation of any workers' compensation, unemployment insurance, social security, or disability benefits law or administrative interpretation of such laws;
- h. Fines, taxes, or penalties imposed by law or other matters which may be uninsurable under law;
- i. Giving counsel to Employees with respect to Employee Benefits;
- j. Interpreting the Employee Benefits;
- k. Handling and keeping of records in connection with Employee Benefits;
- l. Effecting enrollment, termination or cancellation of Employees under the Employee Benefits;
- m. Failure of performance of contract by an Insurer;
- n. Lack of compliance with the terms of any contract, declaration of trust, or instrument providing Employee Benefits;
- o. Lack of compliance with any law concerning Employee Benefits;
- p. Failure to procure or maintain satisfactory and adequate insurances on Employee Benefits' assets or property;
- q. Failure of stock or other securities or of any investments of whatever kind to perform as represented;
- r. Any liability arising out of the Employee Retirement Income Security Act and any other similar federal, state or other statutes, rules or regulations.

For the purpose of this exclusion, the following definitions shall apply:

A. "Administration"/ "Administrative" means:

- 1. Giving counsel to employees of the Named Assured including the employee's dependents and beneficiaries with respect to eligibility in or scope of employee benefit programs available to such employee by virtue of this employment by the Named Assured;
- 2. Handling of records in connection with employee benefit programs;
- 3. Effecting or terminating enrollment of any employee of the Named Assured under employee benefit programs;

B. "Employee Benefit Programs" means a formal program or programs of employee benefits maintained in connection with the business or operations of the Named Assured, such as but not limited to Group Life Insurance, Group Accident & Health Insurance, Pension Plans, Employee Stock Subscription Plans, Workers Compensation, Unemployment Insurance, Social Security and Disability Benefits.

- G. Stockholder's derivative actions;
- H. Wrongful acts of directors and officers and managers of the named insured;
- I. Professional Indemnity and/or any type of errors and omissions and/or malpractice. Exclusions in Addendum No. 2 to the American Institute Builder's Risk Clauses (2/8/79) are incorporated herein.
- J. Non-payment of rents, charter hire, loans, mortgages, promissory notes or other debts or for willful breach or cancellation or failure to perform under any contract; or fiduciary duty; or for insolvency or inadequacy of capital;
- K. Claims for infringement of patent(s); unauthorized use of trade mark(s) or trade name(s); misappropriation of design(s), drawing(s), process(es) or procedure(s); or for claims based on misappropriation of minerals or non-payment royalties;
- L. Ownership, use, operation or towing of drilling rigs, drilling barges, drilling tenders, platforms, flow lines, pipe lines, and/or gathering stations, but this exclusion shall not apply to craft serving the foregoing such as crew, supply, or utility boats, tenders or tugs;



M. Any loss, damage, cost, liability, expense, fine or penalty, and/or duty to defend, of any kind or nature whatsoever, whether statutory or otherwise, incurred by or imposed upon the Assured, arising out of or resulting from or caused directly or indirectly by the actual, potential, alleged or threatened seepage, pollution, contamination, discharge, dispersal, disposal or dumping, release, migration, emission, spillage, escape or leakage of **pollutants** into or upon land, atmosphere, environment, or any watercourse or body of water; as well as:

- (a) any cost or expense imposed upon or assumed by the Assured, or arising out of any request, demand or order upon any Assured or others, in connection with testing for, monitoring, evaluating, controlling, cleaning up, removing, containing, treating, detoxifying, nullifying, neutralizing, or in any way responding to, or assessing the effects of, **pollutants**;
- (b) any cost or expense arising out of any claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, evaluating, controlling, cleaning up, removing, containing, treating, detoxifying, nullifying, neutralizing, or in any way responding to, or assessing the effects of **pollutants**;
- (c) any cost or expense imposed upon or assumed by the Assured, or arising out of any request, demand or order upon any Assured or others, in connection with damage to or degradation of natural resources, including fish, animals, vegetation and other life form inhabitants, and/or to the environment, including costs of assessing whether and to what extent such damage or degradation has occurred, costs of evaluating, monitoring, controlling, removing and/or nullifying such damage or degradation, and costs of replacing, replenishing and/or acquiring the equivalent of damaged or degraded natural resources;
- (d) loss of, damage to or loss of use of property directly or indirectly resulting from sub-surface operations of the assured;
- (e) removal of, loss of or damage to sub-surface oil, gas or any other substance.
- (f) any loss, damage or expense arising out of **pollutants** which were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any Assured or any person or organization for whom you may be legally responsible;

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, spoils, fumes, acids, alkalis, petroleum products or derivatives, chemicals, sewerage, dredging spoils, asbestos, and waste materials or substances; waste materials or substances includes materials to be recycled, reconditioned or reclaimed.

N. Any liability, including liability for bodily injury and/or personal injury to or illness or death of any person or loss of, damage to or loss of use of property, directly or indirectly caused by or arising from any site or location currently used or which was used at any time in the past, whether by the Assured or others, in whole or in part for the handling, processing, treatment, storage, disposal, or dumping of hazardous waste materials or substances or the transportation of any hazardous waste materials or substances; this exclusion encompasses, but is not limited to:

- (a) Waste or disposal sites which were, or currently are, owned, operated, or used by the Assured or were or currently are utilized by others acting for and/or on behalf of the Assured;
- (b) Disposal, dumping, conveyance, carriage, or transportation of any seeping and/or polluting and/or contaminating substances or materials or waste substance(s) or material(s) of whatsoever nature; and
- (c) Evaluating and/or monitoring and/or controlling and/or removing and/or nullifying and/or cleaning-up seeping and/or polluting and/or contaminating substances and materials.

The words "loss of, damage to, or loss of use of property" as used in this exclusion include, but are not limited to:

- (a) The cost of evaluating and/or monitoring and/or controlling and/or removing and/or nullifying and/or cleaning-up seeping and/or polluting and/or contaminating substances and materials;
- (b) Loss of, damage to or loss of use of property directly or indirectly resulting from sub-surface operations of the Assured; and



(c) Removal of, loss of, or damage to sub-surface oil, gas, or any other substance or materials.

(d) Damage to or degradation of natural resources, including fish, animals, vegetation and other life form inhabitants, and/or to the environment, including costs of assessing whether and to what extent such damage or degradation has occurred, costs of evaluating, monitoring, controlling, removing and/or nullifying such damage or degradation, and costs of replacing, replenishing and/or acquiring the equivalent of damaged or degraded natural resources;

O. Bodily injury, property damage, personal injury or advertising injury arising out of conduct of any partnership or joint venture of which the Assured is a partner or member and which is not shown in this policy as a Named Assured. (see also Clause 9A);

P. Advertising injury arising out of:

1. failure of performance of contract, however, this exclusion does not apply to the unauthorized appropriation of ideas based upon alleged breach of implied contract;
2. infringement of copyright, trademark, title, or slogan;
3. incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised;
4. the violation of a penal statute or ordinance committed by or with the knowledge or consent of any Named Assured.

Q. 1. War, invasion, acts of foreign enemies, hostilities (whether war to be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority;

2. Hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual impending or expected attack;

(a) By any government or sovereign power (de jure or de facto) or by any authority maintaining or using military, naval or air forces, or;

(b) By such government, power, authority or forces;

3. Insurrection, rebellion, revolution, civil war, usurped power or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation against such an occurrence, seizure or destruction by order of any government or public authority, or risks of contraband or illegal transportation or trade;

4. Proximately or remotely caused by any nuclear incident, reaction, radiation or any radioactive contamination, whether controlled or uncontrolled, contractual or non-contractual, whether based on negligence or not, and whether otherwise insured under this policy;

5. Strikes, lockouts, labor disturbances, riots, civil commotions or the acts of any person or persons taking part in any such occurrence or disorder.

Nevertheless, this exclusion (Clause Q) shall not apply to liabilities:

1. Arising in connection with Vessels owned, chartered, hired or otherwise used by the Assured;
2. Arising out of transit of property of any kind by land, water or air to the extent such liabilities are covered by full War Risks insurance covering physical loss of or damage to cargo;
3. Arising out of any waterborne operations;
4. To seaman or under Workmen's Compensation Statutes;



Unless:

1. There be an outbreak of war (whether there be declaration of war or not) between any of the following countries: United States of America, United Kingdom, France, the Union of Soviet Socialist Republics, the People's Republic of China;
 2. And/or insured vessel is requisitioned, either for title or use, but the Government of the United States or of the Country in which the vessel is owned or registered or of the Country in which any right of requisition is vested in which case this policy shall be automatically and simultaneously canceled.
- R. Bodily injury, personal injury, property damage or other liabilities arising out of the ownership, maintenance, use or operation of aircraft, airfields, runways, hangars, buildings, vessels or other properties in connection with aviation activities, notwithstanding which this policy is to cover automobile exposure if auto liability policies are in the Scheduled Underlying Insurance subject to Absolute Exclusion Clause 7.W. herein.
- S. Loss of or damage to, including loss of use, and expenses in connection with:
- (a) the Assured's product arising out of such product or any part of such product, including faulty, defective and/or substandard design or construction thereof.
 - (b) work performed by or on behalf of the Assured arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith.
 - (c) the withdrawal, inspection, repair, replacement, or loss of use of the Assured's products or work completed by or for the Assured or of any property to which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein.
- T. Loss or damage to cargo and liability for loss or damage to cargo misdirection, delay, loss of use of cargo.
- U. Any activity as a shipbuilder other than for liabilities covered by Protection and Indemnity Clause SP-38 arising out of sea trials.
- V. Mold, Mildew and Fungus Loss, damage, or expense – caused by or resulting from exposure to mold, mildew and/or fungus. This exclusion also applies to:
1. the cost of abatement, mitigation, removal or disposal, and/or
 2. any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with the above; and
 3. any obligation to share damages with or repay someone else who must pay Damages because of such injury or damage, either in equity or in tort.
- W. Uninsured Motorist and Medical Pay Coverage if an Automobile Liability Policy (ies) is/are included in the **SCHEDULE OF UNDERLYING INSURANCES** herein.
- X. **DIVERS EXCLUSION:**
This policy excludes all loss of life, injury to, or illness or Action Over of employees of the assured, subcontractors or employees of subcontractors, passengers or any other person(s) while engaged in, resulting from, arising out of, or caused by, the use of underwater breathing apparatus or other related activities occurring underwater or in the water. This exclusion applies to the use of underwater breathing apparatus for commercial purposes, or for sport or recreational diving.
- Y. **REFINERY EXCLUSION:**
1. Notwithstanding anything contained in this policy to the contrary, all claims which arise out of onshore refineries, petrochemical, or chemical plants and any installations within their boundaries, even while under repair, maintenance, extension or modification, after the initial handling over to the operators, are excluded. This exclusion shall not apply to any insurance in respect of the construction, erection or installation of buildings, plant or other property (including contractors' plant and equipment used in connection therewith) prior to the initial handling over of such refineries, petrochemical or chemical plants to the operators.



2. For the purposes of this clause jetties, wharves, berths, piers and docks shall be deemed to be outside the boundaries mentioned above. However, no cover for liabilities arising out of the operations of jetties, wharves, berths, piers and docks in respect of onshore refineries, petrochemical or chemical plants and any installations within their boundaries shall be afforded hereunder.
3. Nevertheless claims (other than those liabilities in respect of onshore refineries, petrochemical or chemical plants and any installations within their boundaries even while under repair, maintenance, extension or modification after the initial handing over to the operators) in respect of the following shall not be excluded by this clause:

1. facilities for the processing, treatment or separation of gas provided that they are outside the boundaries of the onshore refineries, petrochemical or chemical plants;
2. any field processing.

Notwithstanding any exclusions contained herein, no coverage shall be afforded by this policy unless coverage is provided in clause 3A or 3B of this policy.

8. CONDITIONAL EXCLUSIONS:

The following exclusions shall also apply UNLESS covered by a Scheduled Underlying Policy in which case coverage hereunder shall only be to the same extent and excess of such Scheduled Underlying Insurance (as per Clause 3A):

- A. Operation, ownership, use of any automobile, mobile equipment or aircraft;
- B. Any employee with respect to personal injury or death of another employee of the same employer injured in the course of such employment;
- C. Damage, loss, or expense to property of others which occurred while in the care, custody or control of the Assured hereunder;
- D. Assumed under contract;
- E. Any activity as a shiprepairer other than for maintenance and repairs by the Assured to his own vessels;
- F. Employer's Liability to employees of any Assured hereunder except Employer's Liability arising out of occupational disease (refer to Absolute Exclusion (7) (b));
- G. Manufacturing, selling, distributing serving or furnishing alcoholic beverages, food or drink.
- H. Advertising injury arising out of:
 1. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 2. Oral or written publication of material that violates a person's right of privacy;
 3. Misappropriation of advertising ideas or style of doing business.
- I. Products liability; however, this exclusion shall not apply to marine vessels, marine craft or offshore installations.

9. SPECIAL CONDITIONS: Coverage hereunder is contingent upon the following conditions:

A. Additional Assureds

In the event of Additional Assured(s) being named or added to any Scheduled Underlying Policy during the currency of the policy, no coverage shall be afforded under this policy for such Additional Assured(s) without the prior written consent of these Assurers who are entitled to an additional premium charge; if required. Coverage is only provided for the term of the contract, but in no event beyond expiration of this policy or termination of the contract whichever shall first occur.



When Additional Assureds are named on this policy, coverage is only provided as respects liabilities to third parties arising out of the operations of the Named Assured insured hereunder. The naming of more than one Assured shall not increase the limit of liability of these Insurers for each accident or occurrence, or policy aggregate.

When the Assured is a partner or member of a Joint Venture or Partnership, this policy will only respond for liabilities insured hereunder subject to all other terms and conditions of this policy, for an amount not exceeding the Assured's participation in such partnership or joint venture unless the Partnership or Joint Venture is named on this policy.

B. Cancellation

1. This Policy may be canceled by either these Assurers or the Assured giving thirty (30) days written notice to the other (except ten (10) days for non-payment of premium) after which this Policy shall be of no force or effect. The mailing or delivering of such notice shall be sufficient proof of notice. The effective date and hour of cancellation stated in the notice shall become the end of the policy period. If cancellation is at the Assured's option, these Assurers will retain earned premium hereunder as per customary short rate table; if cancellation is at these Assurers' option, pro rata unearned premium will be returned as soon as practicable; in either case subject to minimum premiums agreed upon, if any.
2. In the event any Underlying War Risks Insurance is canceled, such cancellation shall simultaneously cancel any corresponding excess coverage insured herein.

C. Bankruptcy or Insolvency

In the event of the bankruptcy or insolvency of the Assured or any entity comprising the Assured, these Assurers shall not be relieved thereby of the payment of any claim hereunder because of such bankruptcy or insolvency.

D. Other Insurance

If other valid and collectible insurance with any other Insurer is available to the Assured covering a loss also covered in whole or part by this Policy (other than insurance that specifically schedules this policy as underlying insurance) the insurance afforded by this Policy shall be excess of and shall not contribute with such other insurance, either as double insurance or otherwise.

E. Cross Liability

In the event a claim is or may be brought by one of the Assureds hereunder against a Named Assured, coverage under this policy shall not be prejudiced by the fact that the claim is brought against the Named Assured by another Assured hereunder. Nothing contained herein shall operate to increase these Assurers' limit of Liability.

F. Conflicting Statutes

In the event that any provision of this policy is unenforceable under the laws or statutes of any State or other jurisdiction, the this Policy shall be automatically amended to conform with such laws or statutes from the time that they become operational.

G. Information and Representation

It is warranted that the information and statements contained in the Application are the basis of this Policy and are to be considered incorporated herein. This policy is void if the Assured has concealed or misrepresented any material fact or circumstance relating to this insurance, or has failed to provide information concerning any material fact or circumstance relating to this insurance. Information or notice of a change possessed by or given to any agent or any other person shall not effect a waiver or change in any part of this policy or stop these Assurers from asserting any right under the terms of this policy; nor shall the terms or conditions of this policy be waived or changed except by a written endorsement issued by these Assurers and forming a part of this policy.

H. Inspection and Audit

These Assurers shall be permitted but not obligated to inspect the Assured's property and operations at any time. Neither these Assurers' right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking on



behalf of or for the benefit of the Assured or others, to determine or warrant that such property or operations are safe, legal or healthful.

These Assurers may examine and audit the Assured's books and records at any time during the policy period and extensions thereof and/or within three years after the final termination of this Policy, as far as they relate to the subject matter of this insurance.

I. Maintenance of Scheduled Underlying Insurance

It is a condition of this Policy that the Policy or Policies referred to in the attached "Schedule of Underlying Insurance" shall be maintained in full force and effect during the currency of this Policy (including renewals or replacement thereof) and that no changes shall be made in a Scheduled Underlying Policy which broadens the insuring conditions thereof or reduces the amounts collectible thereunder or names Additional Assureds thereon unless agreed by these Assurers prior to the effective date of such change and endorsed hereon.

EXCEPT:

1. In the event of reduction or exhaustion of the aggregate limit or limits contained in such Scheduled Underlying Policy or Policies solely by payment of losses in respect to accidents or occurrences during the period of such Scheduled Underlying Policy or Policies, it is hereby understood and agreed that such insurance as is afforded by this Policy shall apply in excess of reduced underlying limit or, if such limit is exhausted, shall apply as underlying insurance, notwithstanding anything to the contrary in the terms and conditions of this Policy.

HOWEVER: If the Scheduled Underlying Policy is on an Annual Aggregate Limit Basis, then the Limit of Liability of these Assurers as stated in Clause 4 will likewise be an Annual Aggregate Limit (not each accident or occurrence) not withstanding anything to the contrary contained elsewhere in this policy.

2. Due to non-currency of a Scheduled Underlying Policy period with the policy period of this policy.
3. Cancellation of a Scheduled Underlying War Risk Policy in which case any applicable excess War Risk coverage insured by this policy is also automatically canceled.
4. If any claim payable under a Scheduled Underlying Policy is payable in a currency other than as designated in Clause 6 of this policy (Currency), then any claim payable under this policy shall be paid excess of the equivalent of the currency designated in Clause 6 if there has been an adjustment in exchange rates at the time of the claim becomes payable.

Failure of the Named Assured to comply with this Condition (I) or inadvertent failure to notify these Assurers of any changes in the Scheduled Underlying Insurance; or bankruptcy or insolvency of a Scheduled Underlying Insurance carrier or non-collectability of any Scheduled Underlying Insurance hereunder shall not prejudice the Named Assured's rights of recovery under this Policy, but, in the event of such failure, these Assurers will be liable only to the same extent as it would have been had the Named Assured complied with the said condition and all Scheduled Underlying Policies hereunder were in full force and effect at the time of the accident or occurrence.

J. Builders Risk Insurance

It is a condition of this policy the Assured shall maintain Builders Risk Insurance in full force and effect and to full completed value on all vessels under construction, or alternatively, be named as an additional assured with waiver of subrogation on the owner's Builders Risk Insurance which is written to the full completed value of the vessel.

10. DEFINITIONS:

Wherever used in this policy, the following terms shall be construed to mean:

- A. Accident means an unexpected happening or event resulting in bodily injury or property damage.
- B. Advertising Injury means injury arising out of one or more of the following offenses committed during the policy period in the course of the Assured's advertising activities:
 1. The publication or utterance of a libel or slander or of other defamatory or disparaging material, or a publication or utterance in violation of an individual's right to privacy.



2. Infringement of copyright, title, or slogan.
 3. Piracy or idea misappropriation under an implied contract.
- C. Aircraft means any heavier than air or lighter than air aircraft designed to transport persons or property.
- D. Annual Aggregate Limit or Aggregate Limit: the total amount payable during a specified period of time regardless of the number of claims, accidents or occurrences during said period of time.
- E. Assured: The unqualified word "Assured", wherever used in this policy, includes the officers, directors, boards, commissioners, stockholders, employees, masters or crew members, of such organization while acting in their capacity as such, and vessels scheduled in Scheduled Underlying Policies herein "in rem." If the organization is a partnership or joint venture, any partner or member thereof is included while acting in his capacity as such, per terms below:

NAMED ASSURED: The person or organization named as "Insured" in Clause I.A. in this policy and includes any associated, affiliated, interrelated and/or subsidiary over which the Named Assured has financial or managerial control. The naming of more than one Assured shall not increase the limit of liability of these Insurers for each accident or occurrence, or policy aggregate.

When the Assured is a partner or member of a Joint Venture or Partnership, this policy will only respond for liabilities insured hereunder subject to all other terms and conditions of this policy, for an amount in proportion to the Named Assured's proportion of interest or participation in such partnership or joint venture bears to the total liability of the partnership or joint venture, subject to the limit of liability of this policy.

ADDITIONAL ASSURED: Any persons or organizations named on this policy as an "Additional Assured" are insured only as respect liabilities to third parties arising out of the operations, maintenance or use of property by the Named Assured herein subject to policy terms, limitations, and exclusions. The naming of more than one Assured shall not increase the limit of liability of these Insurers for each accident or occurrence, or policy aggregate.

- F. Assurers: "these Assurers" refers to the insurers of this risk as set forth under "Subscribers" on the Security Page attached to this policy.
- G. Automobile means a land motor vehicle, truck, trailer or semi-trailer licensed for use on public highways.
- H. Bodily injury means physical injury, sickness or disease of any person which results from an accident or occurrence during the policy period, including death at any time resulting therefrom.
- I. Completed Operations means bodily injury or property damage arising out of the Named Assured's operations or services, but only if the bodily injury or property damage occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the Assured. Operations include materials, parts or equipment completed at the earliest of the following time:
- (i) When all operations to be performed by or on behalf of the Named Assured under the contract have been completed.
 - (ii) When all operations to be performed by or on behalf of the Named Assured at the site of the operations have been completed.
 - (iii) When the portion of the work out of which the bodily injury or property damage arises has been put to its intended use by any persons or organizations other than another contractor or sub-contractor engaged in performing operations for a principal as a part of the same project.
 - (iv) Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete shall be deemed completed.

The Completed Operation shall not include:

- (i) the legal liability for operations in connection with the pick up and delivery of property, except in respect to stevedore liability incurred in respect to the loading and discharge of vessels if such liability is covered by a Scheduled



Underlying Policy.

(ii) the existence of tools, uninstalled equipment or abandoned or unused materials.

J. Contractual Liability means liability assumed under a contract or agreement.

K. Mobile Equipment means a land vehicle (including any machinery or apparatus attached thereto), whether or not self-propelled; which is:

1. not subject to motor vehicle registration or,
2. maintained or use exclusively on premises owned by or rented to the named assured, including the ways immediately adjoining or,
3. designed for use principally off public roads or,
4. designed or maintained for the sole purpose affording mobility to equipment the following types forming an integral part of or permanently attached to such vehicle: power cranes, shovels, loaders, diggers and drills, concrete mixers, (other than the mix-in transit type); graders, scrapers rollers and other road construction or repair equipment; air-compressors pumps and generators, including spraying, welding and building cleaning equipment and geophysical exploration and well servicing equipment.

L. Occurrence means a continuous or repeated exposure to conditions which unintentionally causes injury, damage or destruction during the policy period. Any number of such injuries, damage or destruction resulting from a common cause or from exposure to substantially the same condition shall be deemed to result from one occurrence.

The word "unintentionally" shall not apply to claims arising out of libel, slander, disparagement, defamation of character or invasion of rights of privacy.

M. Personal Injury means mental injury, mental anguish, loss of consortium, shock, sickness, disease, disability, false arrest, false imprisonment, assault, battery, wrongful eviction or detention, malicious prosecution, libel, slander, disparagement, defamation of character or invasion of rights of privacy.

N. Policy Period means the time during which coverage is in effect under a Policy of Insurance.

O. Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, spoils, fumes, acids, alkalis, petroleum products or derivatives, chemicals, sewerage, dredging spoils, asbestos, and waste materials or substances; waste materials or substances includes materials to be recycled, reconditioned or reclaimed.

P. Products Liability means bodily injury or property damage arising out of an accident or occurrence away from the Assured's premises, caused by goods or products manufactured, sold, handled, distributed, and/or disposed of by the Assured after the Assured has relinquished possession of such goods or products and/or such goods or products are no longer in his care, custody or control. Products Liability does not include any extra expense of re-calling goods or merchandise.

Q. Professional Indemnity means a guarantee or warranty of skill or workmanlike service, design, suitability for intended service.

R. Property damage means loss of or direct physical damage to or destruction of tangible property (other than property owned by the Named Assured), including loss of use thereof resulting therefrom.

S. Punitive damage means fines, penalties or judgments levied against the Assured to punish or make an example of the Assured.

T. Scheduled Underlying Insurance and Scheduled Underlying Policy(ies) means the policies listed in the Schedule of Underlying Insurance.

U. Ultimate Net Loss means the total sum which the Assured becomes obligated to pay by reason of matters set out in the Insuring Agreement (Clause 3 COVERAGE) either through adjudication or compromise settlements, and shall also include hospital, medical, and funeral charges and all sums paid as salaries, wages, compensation, fees, charges and law costs,



premiums on attachment or appeal bonds, interest, expenses for doctors, lawyers, nurses, and investigation of claims and suits which are paid as a consequence of an occurrence covered hereunder, excluding, however, the salaries of the Assured's permanent employees and general office overhead and also excluding any part of such expenses for which the Assured is covered by other valid and collectible insurance.

- V. Underlying Insurance and Underlying Policy(ies) means the policies listed in the Schedule of Underlying Insurance, as well as the insurance available to the Assured under all other insurance policies applicable to an occurrence which is within the scope of subject matter and coverage set forth in this policy.
- W. Underlying Limit(s) means the Limit of Liability of a Policy of Insurance shown in the Schedule of Underlying Insurance, as well as the Limits of Liability available to the Assured under all other insurance policies applicable to an occurrence which is within the scope of subject matter and coverage set forth in this policy.
- X. Wrongful Act means any actual or alleged error or misstatement or misleading statement or act or omission or breach of duty by Directors, Officers and Managers in the discharge of their duties, individually, or collectively, or any matter claimed against them solely by reason of their being Directors, Officers or Managers of the Named Assured.

The Definitions of any underlying policy shall be incorporated herein to the extent they do not conflict with definitions contained in this policy. In the event of a conflict, the definitions contained herein shall be paramount.

11. CLAIMS: In the event of a claim being presented hereunder:

A. Notice of Occurrence

It is hereby warranted that all Assureds shall notify these Assurers through their Broker as soon as it becomes reasonably evident that a claim could potentially involve this policy.

B. Assistance and Co-operation

These Assurers shall not be called upon to assume charge of the settlement or the defense of any claim made or suit brought or legal proceeding instituted against the Assured, but these Assurers shall have the right and shall be given the opportunities to associate with the Assured or the Assured's Underlying Insurers, or both, in the defense and control of any claim, suit, or proceeding relative to an occurrence where the claim or suit involves or appears reasonably likely to involve these Assurers in which event the Assured or the Underlying Insurer shall co-operate in all things in the defense and appeal of such claim, suit, or proceeding.

C. Appeals

In the event the Assured and/or any of the Underlying Insurers elect not to appeal a judgement in excess of the Underlying limit, these Assurers may elect to make such an appeal at their own cost and expense and interest incidental thereto. The Assured agrees to co-operate with such appeal as set forth elsewhere in this policy.

D. Assignment

Assignment or transfer of any claim or interest under this policy shall not be binding without the written consent of these Assurers.

E. Subrogation

Inasmuch as this policy is "Excess Coverage", the Assured's right of recovery against any person or other entity cannot be exclusively subrogated to these Assurers. It is, therefore, understood and agreed that in case of any payment hereunder, these Assurers will act in concert with all other interests (including the Assured) on the exercise of such rights of recovery. The apportioning of any amount which may be recovered shall follow the principle that any interests (including the Assured) that have paid an amount over and above any payment these Assurers, shall first be reimbursed up to the amount paid by them. These Assurers are then to be reimbursed out any balance then remaining up to the amount paid hereunder; lastly, the interests (including the Assured) of whom this coverage is in excess are entitled to claim the balance, if any. The Expense of any subrogation proceeding brought to enforce such rights shall be apportioned among the interests in the same proportion that the amount of their respective recoveries compares to the amount paid by each of them.



Nothing herein contained shall be construed to require the Assured to enforce by legal action, any rights of salvage, subrogation or indemnity, before the Insurers shall pay any loss covered hereunder.

F. Action against these Assurers

No action shall lie against these Assurers unless, as a condition precedent thereto, the Assured shall have fully complied with all the terms of this policy, nor until the amount of the Assured's obligation shall have been finally determined either by judgement against the Assured after actual trial or by written agreement of the Assured, the Claimant, and these Assurers.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Policy to the extent of the insurance afforded by this Policy. Nothing contained herein shall give any person or organization any right to join these Assurers as a co-defendant in any action against Assured to determine the Assured's Liability.



INSTITUTE EXTENDED RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE

11/1/02

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from:
 - 1.1 ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
 - 1.2 the radioactive, toxic, explosive, or other hazardous or contaminating properties of any nuclear installation, reactor, or other nuclear assembly or nuclear component thereof;
 - 1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
 - 1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.

CL356A

INSTITUTE RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE
(U.S.A. ENDORSEMENT)

This insurance is subject to the INSTITUTE EXTENDED RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE 1st November, 2002 provided that:

If Fire is an insured peril

AND

Where the subject matter insured or, in the case of a reinsurance, the subject matter insured by the original insurance, is within the U.S.A., Its Islands, onshore territories or possessions

AND

A fire arises directly or indirectly from one or more of the causes detailed in Sub-Clauses 1.1, 1.2 and 1.4 of the INSTITUTE EXTENDED RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE 1st November, 2002;

any loss or damage arising directly from that fire shall, subject to the provisions of this insurance (reinsurance), be covered, EXCLUDING however any loss, damage, liability, or expense caused by nuclear reaction, nuclear radiation, or radioactive contamination arising directly or indirectly from that fire.

Attached to and forming a part of policy number SE08LIA9194/81



CHEMICAL, BIOLOGICAL, BIO-CHEMICAL, ELECTROMAGNETIC TERRORISM EXCLUSION CLAUSE

American Institute of Marine Underwriters (AIMU) Chemical, Biological, Bio-Chemical and Electromagnetic Exclusion Clause (March 1, 2003), to apply to this contract in respect of risks attaching on or after March 1, 2003 but only as respects losses arising out of an act of terrorism as defined in the Terrorism Endorsement herein.

**AIMU CHEMICAL, BIOLOGICAL, BIO-CHEMICAL, ELECTROMAGNETIC EXCLUSION CLAUSE
(March 1, 2003)**

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

In no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to or arising from an actual or threatened act involving a chemical, biological, bio-chemical or electromagnetic weapon, device, agent or material when used in an intentionally hostile manner.

AIMU U.S. ECONOMIC AND TRADE SANCTIONS CLAUSE

Whenever coverage provided by this policy would be in violation of any U.S. economic or trade sanctions such as, but not limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), such coverage shall be null and void.

Similarly, any coverage relating to or referred to in any certificates or other evidences of insurance or any claim that would be in violation of U.S. economic or trade sanctions as described above shall also be null or void.

Attached to and forming a part of policy number SE08LIA9194/81



Terrorism Exclusion

In consideration of premiums charged, this contract excludes any loss, damage, liability or expense arising from:

1. Terrorism; and or
2. Steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived terrorism.

For the purpose of this clause, "terrorism" means any act(s) of any person(s) or organisation(s) involving either:

- (i) The causing, occasioning or threatening of harm of whatever nature and by whatever means;
- (ii) Putting the public or any section of the public in fear,

in circumstances in which it is reasonable to conclude that the purpose(s) of the person(s) or organisation(s) concerned are wholly or partly of a political, religious, ideological or similar nature, or:

- (iii) Loss, damage, liability or expense arising from an "act of terrorism" certified under the Terrorism Risk Insurance Act of 2002 by the Secretary of Treasury, in concurrence with the Secretary of State, and the Attorney General.

Attached to and forming a part of policy number SE08LIA9194/81



NAVIGATORS INSURANCE COMPANY

SECURITY

IN WITNESS WHEREOF, the company hereunder has caused this policy to be signed by a duly authorized representative of Navigators Insurance Services of Washington, Inc. an agent of the company, this 19th day of December, 2008

by:

Date: 9/25/09

On behalf of Navigators Insurance Company through
Navigators Insurance Services of WA, Inc.

Attached to and forming a part of Policy No. SE08LIA9194/81

COPY



SCHEDULE OF UNDERLYING INSURANCE

COMPANY	POLICY NO.	EXPIRES	TERM YRS.	AMOUNT/LIMITS	COVERAGE DESCRIPTION
St. Paul Fire & Marine	OL08400599	06/09/09	1	\$1,000,000 minimum per occurrence \$2,000,000 general aggregate	Marine General Liability
Safeco (American States Ins. Company)	O1CH89403301 Or renewal thereof	06/09/09	1	\$1,000,000 minimum per occurrence and/or accident	Automobile Liability
St. Paul Fire & Marine	OX08400163	06/09/09	1	\$5,000,000 excess of \$1,000,000 minimum per occurrence	Marine Bumbershoot
SeaBright	BB1081732 Or renewal thereof	06/0909	1	\$1,000,000 Each Accident \$1,000,000 Each Employee \$1,000,000	MEL/Employers Liability
WQIS	4140691	06/09/09	1	\$1,000,000 Per Vessel OPA \$5,000,000 minimum per occurrence and/or accident for CERCLA	Vessel Pollution Liability
St. Paul Fire & Marine	OH08400495 or renewal thereof	06/09/09	1	\$1,000,000 minimum per occurrence and/or accident	Protection & Indemnity

Attached to and forming part of Policy #SE08LIA9194/81

POLICY ENDORSEMENT

NAVIGATORS INSURANCE COMPANY

ENDORSEMENT NUMBER ONE (1)

POLICY NUMBER: SE08LIA9194/81
ASSURED: Pacific Pile & Marine LP
EFFECTIVE DATE: January 14, 2009

In consideration of the premium charged, it is agreed that the following is named as additional assured for the above referenced policy:

**Brackish Properties, LLC as owner of the property
at 582 S. Riverside Drive, Seattle, WA 98108**

Attached to and forming part of above referenced Policy Number.
All other terms and conditions remaining unchanged.

COPY

by:

Date: 9/25/2009

On behalf of Navigators Insurance Company through
Navigators Insurance Services of WA, Inc.





BUMBERSHOOT POLICY DECLARATIONS

INSURANCE IS PROVIDED BY THE COMPANY DESIGNATED BELOW:
ST. PAUL FIRE AND MARINE INSURANCE COMPANY ✓
A CAPITAL STOCK COMPANY HEREIN CALLED THIS COMPANY

Policy Number OX08400163 ✓
Renewal of Policy Number NEW

NAME AND ADDRESS OF NAMED INSURED

PACIFIC PILE & MARINE LP

582 RIVERSIDE DRIVE
SEATTLE WA 98108

NAME AND ADDRESS OF AGENCY

BASIC GROUP LLC

1011 NE HIGH ST SUITE 101
ISSAQUAH WA 98029

Does hereby insure according to the form and clauses attached:

Coverage per form	Rate/\$100. FLAT ✓	Premium \$42,500. ✓
From 06/09/08 ✓	To 06/09/09 ✓	Beginning and ending at 12:01 a.m. Pacific
Limit of Liability: \$5,000,000 ✓	Self-Insured Retention: \$10,000. ✓	
Cancellation notice: 10 days for nonpayment of premium 45 days for reasons other than nonpayment of premium ✓		

IN WITNESS WHEREOF, the Company designated on the Declarations page has caused this Policy to be signed by its President and Secretary and countersigned on the Declarations page by a duly authorized representative of the Company.

Secretary

President

✓ By
Renee Tamez
8/27/08

Countersigned Date

Countersigned At

Authorized Representative

COPY

POLICY FORM LIST

Here's a list of all forms included in your policy, on the date shown below. These forms are listed in the same order as they appear in your policy.

Title	Form Number	Edition Date
Disclosure Notice Terrorism Risk Insurance Act Of 2002	D0101	01-08 ✓
Rejection Of Our Offer Of Coverage		
Bumbershoot Policy Declarations	OMBU0001	03-06 ✓
Policy Form List	40705	05-84 ✓
AIMU - Chemical, Biological, Bio-Chemical And Electromagnetic Exclusion Clause (3/1/03)	OMGE0100	03-03 ✓
AIMU - Extended Radioactive Contamination Exclusion Clause (3/1/03)	OMGE0101	03-03 ✓
Alaska Attorney Fees Notice B	OMGE0102	07-05 ✓
AIMU U.S.Economic And Trade Sanctions Clause	OMGE0108	10-06 ✓
Bumbershoot Policy Form	OMBU0002	02-07 ✓
Bumbershoot Policy Form Schedule of Underlying Insurances	OMBU0003	03-06 ✓
Bumbershoot Pollution Liability	OMBU0100	02-07 ✓
Terrorism Risk Insurance Act Certified Acts Of Terrorism Exclusion Endorsement	OMBU0315	01-08 ✓
Named Insured	OMBU0500	03-06 ✓
Schedule of Vessels	OMBU0500	03-06 ✓

Name of Insured

PACIFIC PILE & MARINE LP

Policy Number OX08400163

Effective Date 06/09/08

Processing Date 07/02/08 17:57 001

40705 Ed.5-84

Form List

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Page 1

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**AIMU
CHEMICAL, BIOLOGICAL, BIO-CHEMICAL, AND
ELECTROMAGNETIC EXCLUSION CLAUSE**

(March 1, 2003)

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

In no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to or arising from an actual or threatened act involving a chemical, biological, bio-chemical or electromagnetic weapon, device, agent or material when used in an intentionally hostile manner.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned policy, other than as above stated.

Name of Insured
PACIFIC PILE & MARINE LP

Policy Number OX08400163

Effective Date 06/09/08

Processing Date 07/02/08 17:57 001

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**AIMU
EXTENDED RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE
WITH U.S.A. ENDORSEMENT**

(March 1, 2003)

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

1. In no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from
 - 1.1 ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
 - 1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
 - 1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
 - 1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.

**RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE
(U.S.A. ENDORSEMENT)**

This insurance is subject to the Extended Radioactive Contamination Exclusion Clause (March 1, 2003) provided that

if fire is an insured peril

and

where the subject matter insured or, in the case of a reinsurance, the subject matter insured by the original insurance, is within the U.S.A., its islands, onshore territories or possessions

and

a fire arises directly or indirectly from one or more of the causes detailed in Sub-Clauses 1.1, 1.2, and 1.4 of the Extended Radioactive Contamination Exclusion Clause March 1, 2003 any loss or damage arising directly from that fire shall, subject to the provisions of this insurance, be covered, EXCLUDING however any loss damage liability or expense caused by nuclear reaction, nuclear radiation, or radioactive contamination arising directly or indirectly from that fire.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned policy, other than as above stated.

Name of Insured
PACIFIC PILE & MARINE LP

Policy Number OX08400163

Effective Date 06/09/08

Processing Date 07/02/08 17:57 001

BUMBERSHOOT POLLUTION LIABILITY

It is hereby understood and agreed that the following is added to General Exclusion (19) of this Policy:

1. Pollution Emanating From Watercraft

With respect to pollution emanating from watercraft:

- Owned by the Named Insured, or
 - Leased or chartered on a bareboat basis by the Named Insured
- (1) This exclusion shall not apply, except as provided in sub-division 1.(2) below, if such loss, damage, injury or expense is covered by valid and collectible underlying insurance listed in the "Schedule of Underlying Insurances" for the full limit shown therein, and then any coverage provided by this Policy for such loss, damage, injury or expense will be on a following-form excess basis and subject to the limitations of said Underlying Insurance.
- (2) Notwithstanding the provisions of sub-division 1.(1) above, this exclusion shall apply and there shall be no coverage under this Policy for:
- (a) Any loss, damage, injury or expense paid or incurred in consequence of any such pollution unless proximately caused by fault on the part of the Insured; or
 - (b) Any fines, penalties, punitive damages, exemplary damages, or the portion of any multiplied damages award that exceeds the amount multiplied, whether imposed pursuant to statute or otherwise;
 - (c) Any costs of criminal defense.

2. Pollution Emanating From Sources Other Than Watercraft

With respect to pollution emanating from sources other than watercraft:

- Owned by the Named Insured, or
 - Leased or chartered on a bareboat basis by the Named Insured
- (1) This exclusion shall not apply, except as provided in sub-division 2.(2) below, provided that the Insured establishes that all of the following conditions have been met:
- (a) Such loss, damage, injury or expense is covered by valid and collectible underlying insurance listed in the "Schedule of Underlying Insurances", for the full limit shown therein, and then any coverage provided by this Policy for such loss, damage, injury or expense will be on a following-form excess basis and subject to the limitations of said Underlying Insurance;
 - (b) The accident was caused by some intervening event and was neither expected nor intended by the Insured;

Name of Insured
PACIFIC PILE & MARINE LP

Effective Date 06/09/08
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- (c) The accident can be identified as commencing at a specific time and date during the policy period of this Policy;
 - (d) The accident became known to the Insured within 72 hours after its commencement, and was reported to this Company within 30 days thereafter;
 - (e) The accident did not result from the Named Insured's intentional and willful violation of any government statute, rule or regulation.
- (2) Notwithstanding the provisions of sub-division 2.(1) above, this exclusion shall apply and there shall be no coverage under this Policy for:
- (a) Loss of, damage to or loss of use of property directly or indirectly resulting from subsidence caused by sub-surface operations performed by or on behalf of the Insured;
 - (b) Removal of, loss of or damage to sub-surface oil, gas or any other substance;
 - (c) Fines, penalties, punitive damages, exemplary damages, or the portion of any multiplied damages award that exceeds the amount multiplied;
 - (d) Costs of criminal defense;
 - (e) Losses resulting from blowout and/or cratering;
 - (f) Pollution emanating from watercraft which is owned by, leased by, or bareboat chartered to the Insured;
 - (g) Any site or location used in whole or in part for the handling, processing, treatment, storage, disposal or dumping of any waste materials or substances, or the transportation of any waste materials or substances,

except this exclusion shall not apply to:

The incidental handling, storage or transportation of waste materials or substances which occurs at the maritime facilities designated in coverage contained in the Scheduled Underlying Insurance, in connection with covered operations; however any coverage provided by virtue of this exception shall be strictly excess of Scheduled Underlying Insurance.

The insurance afforded by this Endorsement shall not increase the limit of this Company's liability under this Policy.

OIL POLLUTION ACT DISCLAIMER CLAUSE

This insurance does not constitute evidence of financial responsibility under the Oil Pollution Act of 1990 or any similar Federal or State Law, and it is a condition of this insurance that it shall not be submitted to the United States Coast Guard or any other Federal or State Agency as evidence of financial responsibility. This Company does not consent to be a guarantor.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned policy, other than as above stated.

**TERRORISM RISK INSURANCE ACT
CERTIFIED ACTS OF TERRORISM EXCLUSION ENDORSEMENT**

It is hereby understood and agreed that:

1. The following exclusion is added to II. A. General Exclusions:

(1) Terrorism

Any liability for loss, injury, damage or expense arising out of any "certified act of terrorism".

As used in this exclusion:

"Certified Act of Terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a certified act of terrorism include the following:

- The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
- The act is a violent act or an act that is dangerous to human life, property, or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned policy, other than as above stated.

Name of Insured

PACIFIC PILE & MARINE LP

Effective Date 06/09/08

Processing Date 07/02/08 17:57 001

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Named Insured

✓Pacific Pile & Marine, LP
✓Pacific Pile & Marine Management Inc.
✓Cascade Barge & Equipment, LLC
✓Inland Barge LLC

CC: 000 D628
* 4 C O O 2 OX08400163 7851 * M: 00 I: 000 T: 001

Name of Insured
PACIFIC PILE & MARINE LP

Effective Date 06/09/08
Processing Date 07/02/08 17:57 001

CC: 000 D628
* M: 00 I: 00 T: 001
* 4 C O O 2 OX08400163 7853

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Schedule of Vessels

Vessel Name	Description
✓ 1) PAMTAY	ZIEDEL 50 x 150 x 12 Deck barge including American 9310 225 ton crawler crane
✓ 2) Crew Boat	60' 4 3408 Cats
✓ 3) Sein Skiff	8' x 20'
✓ 4) Work Skiff	8' x 20' 60hp
✓ 5) Flexi Floats	
- 8 each	10 x 40 x 7
- 2 each	10 x 20 x 7
✓ 6) Deck Barge	60 x 160
✓ 7) Single Screw Work Boat	18 x 12

Name of Insured
PACIFIC PILE & MARINE LP

Effective Date 06/09/08
Processing Date 07/02/08 17:57 001

CC: 000 D628
* M: 001
* 4 C O 2 OX08400163 7823

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ALASKA DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE
ATTORNEY FEES COVERAGE NOTICE B

This policy limits coverage for attorney fees under Alaska Rule of Civil Procedure 82.

In any suit in Alaska in which this Company has a right or duty to defend an Insured within the limits of liability, this Company's obligation under the applicable coverage to pay attorneys fees taxable as costs against the Insured is limited as follows:

Alaska Rule of Civil Procedure 82 provides that if the Insured is held liable, some or all of the attorney fees of the person making a claim against the Insured must be paid by the Insured. The amount that must be paid by the Insured is determined by Alaska Rule of Civil Procedure 82. This Company provides coverage for attorney fees for which the Insured is liable under Alaska Rule of Civil Procedure 82 subject to the following limitation:

If the limit of liability of the applicable coverage is \$1,000,000 or more, this Company will not pay any combination of judgment or claim settlement and attorney fees under Alaska Rule of Civil Procedure 82 that exceeds the limit of liability of the applicable coverage.

If the limit of liability of the applicable coverage is less than \$1,000,000, this Company will not pay more than the greater of

- (1) that portion of any attorney's fees that is calculated by applying the schedule for contested cases in Alaska Rule of Civil Procedure 82(b)(1) to the limit of liability of the applicable coverage; or**
- (2) \$10,000**

This limitation means the potential costs that may be awarded against the Insured as attorney fees may not be covered in full. The Insured will have to pay any attorney fees not covered directly.

Example 1:

The attorney fees provided by the schedule for contested cases in Alaska Rule of Civil Procedure 82(b)(1) are:

- 20% of the first \$25,000 of a judgment;
- 10% of the amounts over \$25,000 of a judgment.

Therefore, if a court awards a judgment against the Insured in the amount of \$1,250,000, in addition to that amount the Insured would be liable for attorney fees of \$127,500 under Alaska Rule of Civil Procedure 82(b)(1), calculated as follows:

20% of	\$25,000	\$5,000
10% of	\$1,225,000	\$122,500
Total Award:	\$1,250,000	Total Attorney Fees: \$127,500

If the limit of liability of the applicable coverage is \$1,000,000, this Company would pay \$1,000,000 of the \$1,250,000 award, less the costs incurred defending the Insured, and none of the attorney fees under Alaska Rule of Civil Procedure 82(b)(1).

The Insured would be liable to pay, directly and without this Company's assistance, the remaining judgment in excess of the remaining policy limit plus the \$127,500 attorney fees under Alaska Rule of Civil Procedure 82.

Name of Insured
PACIFIC PILE & MARINE LP

Policy Number OX08400163

Effective Date 06/09/08

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Example 2:

The attorney fees provided by the schedule for contested cases under Alaska Rule of Civil Procedure 82(b)(1) are:

- 20% of the first \$25,000 of a judgment;
- 10% of the amounts over \$25,000 of a judgment.

Therefore, if a court awards a judgment against the Insured in the amount of \$650,000, in addition to that amount the Insured would be liable under Alaska Rule of Civil Procedure 82(b)(1) for attorney fees of \$67,500, calculated as follows:

20% of	\$25,000	\$5,000
10% of	<u>\$625,000</u>	<u>\$62,500</u>
Total Award:	\$650,000	Total Attorney Fees: \$67,500

If the limit of liability of the applicable coverage is \$500,000 this Company would pay \$500,000 of the \$650,000 award, less the costs incurred defending the Insured, and \$52,500 of the attorney fees under Alaska Rule of Civil Procedure 82(b)(1), calculated as follows:

20% of	\$25,000	\$5,000
10% of	<u>\$475,000</u>	<u>\$47,500</u>
Total Limit of Liability:	\$500,000	Total Attorney Fees Covered: \$52,500

The Insured would be liable to pay, directly and without this Company's assistance, the judgment in excess of the remaining policy limit plus the remaining \$15,000 for attorney fees under Alaska Rule of Civil Procedure 82 not covered by this policy.

Example 3:

The attorney fees provided by the schedule for contested cases in Alaska Rule of Civil Procedure 82(b)(1) are:

- 20% of the first \$25,000 of a judgment;
- 10% of the amounts over \$25,000 of a judgment.

Therefore, if a court enters a judgment against the Insured in the amount of \$500,000, in addition to that amount the Insured would be liable for attorney fees of \$52,500 under Alaska Rule of Civil Procedure 82(b)(1), calculated as follows:

20% of	\$25,000	\$5,000
10% of	<u>\$475,000</u>	<u>\$47,500</u>
Total Award:	\$500,000	Total Attorney Fees: \$52,500

If the limit of liability of the applicable coverage is \$50,000, this Company would pay \$50,000 of the \$500,000 award less the costs incurred defending the Insured, and \$10,000 of the attorney fees under Alaska Rule of Civil Procedure 82(b)(1), calculated as follows:

20% of	\$25,000	\$5,000
10% of	<u>\$25,000</u>	<u>\$2,500</u>
Total Limit of Liability:	\$50,000	Minimum Limit: \$10,000
		Total Attorney Fees Covered: \$10,000

The Insured would be liable to pay, directly and without this Company's assistance, the judgment in excess of the remaining policy limit plus the remaining \$42,500 for attorney fees under Alaska Rule of Civil Procedure 82 not covered by this policy.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned policy, other than as above stated.

COPY

AIMU U.S. ECONOMIC AND TRADE SANCTIONS CLAUSE

Whenever coverage provided by this policy would be in violation of any U.S. economic or trade sanctions such as, but not limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), such coverage shall be null and void.

Similarly, any coverage relating to or referred to in any certificates or other evidences of insurance or any claim that would be in violation of U.S. economic or trade sanctions as described above shall also be null and void.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned policy, other than as above stated.

Name of Insured

PACIFIC PILE & MARINE LP

Policy Number OX08400163

Effective Date 06/09/08

Processing Date 07/02/08 17:57 001

BUMBERSHOOT POLICY FORM

The Company as hereinafter referenced is St. Paul Fire and Marine Insurance Company, which is a capital stock company based in St. Paul, Minnesota.

Insured as hereinafter referenced is the Named Insured set forth in the Declarations, as well as any other person or organization qualifying as such under Section I. Insuring Agreement, C. Insured.

Other words and phrases which appear throughout this Policy in quotation marks have or include special meaning as set forth under Section IV. Definitions.

The Section or Clause titles or headings are for reference only and have no bearing on the interpretation of the Sections or Clauses. All Sections and Clauses should be read carefully to determine their actual meaning.

In consideration of payment of premium as set forth in the Declarations, and subject to the statements in the Declarations and all the Terms, Conditions, Exclusions and Limits of Liability, this Company agrees with the Named Insured as follows:

I. INSURING AGREEMENT

A. COVERAGE

This Policy shall provide coverage for all sums which the Insured shall become legally obligated to pay for:

- (1) All protection and indemnity risks of whatsoever nature including those covered by the scheduled underlying protection and indemnity insurances or which are absolutely or conditionally undertaken by the United Kingdom Mutual Steam Ship Assurance Association, Limited;
- (2) General average, collision liabilities, towers liabilities, salvage, salvage charges, and sue and labor arising from any cause whatsoever;
- (3) All other sums which the Insured shall become legally liable to pay or by contract or agreement become liable to pay as damages of whatsoever nature, on account of "bodily injury" or "property damage";
- (4) All sums which the Insured shall become legally liable to pay as damages of whatsoever nature, on account of "personal and advertising injury" arising out of the Insured's business and;

caused by an "occurrence" happening, or an offense committed, during the policy period anywhere in the world, except for any country or jurisdiction which is subject to any trade sanction, embargo or similar regulation imposed by the United States of America that prohibits the transaction of business with or within such country or jurisdiction.

Name of Insured
PACIFIC PILE & MARINE LP

Effective Date 06/09/08
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B. LIMIT OF LIABILITY

This Company will pay on behalf of the Insured the "Ultimate Net Loss" in excess of either:

- (1) The amount(s) of the limit(s) set out in the underlying insurances identified in the attached "Schedule of Underlying Insurances" (with respect to general average, salvage, salvage charges, and sue and labor expenses, the sum(s) of said expenses actually insured by the underlying policies shall be deemed the amount(s) of the limit(s) of said underlying policies);

or

- (2) The **Self Insured Retention as set forth in the Declarations** in respect of each "occurrence" or offense not covered by said underlying insurances;

(all hereinafter called the Underlying limits), up to the **Limit of Liability as set forth in the Declarations** in respect of each "occurrence" or offense.

Should any of the underlying coverages listed in the "Schedule of Underlying Insurances" be subject to an "annual aggregate limit", then this Policy shall also be subject to an "annual aggregate limit" equal to the Limit of Liability as shown in the Declarations, as respects those coverages.

In the event of the reduction or exhaustion of the "annual aggregate limit" contained in any of the underlying coverages listed in the "Schedule of Underlying Insurances" solely by reason of the payment of losses and/or expenses in respect of "occurrences" which take place, or offenses committed, during the period of this Policy, this Policy shall apply, subject to the terms and conditions of the underlying insurance and the limitations, terms, exclusions, conditions and endorsements set forth in this Policy, in excess of the reduced underlying limit or, if such limit is exhausted, as underlying insurance.

In the event that a loss is covered by more than one Policy listed in the "Schedule of Underlying Insurances", the coverage provided by this Policy shall be excess of the total available limits in the underlying insurances.

The inclusion hereunder of more than one Insured shall not operate to increase this Company's limit of liability.

C. INSURED

- (1) Each of the following is an Insured under this insurance to the extent set forth below:
 - (a) If the Named Insured so designated is an individual, the person so designated but only with respect to the conduct of a business of which he is the sole proprietor and the spouse of the Named Insured with respect to the conduct of such a business;
 - (b) If the Named Insured so designated is a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof, and their spouses, but only with respect to the conduct of the partnership's or joint venture's business;
 - (c) If the Named Insured so designated is a limited liability company, the limited liability company so designated and any member or manager thereof, but only with respect to their duties as members or managers;

(d) If the Named Insured so designated is not an individual, partnership, joint venture, or limited liability company, the organization so designated and its "executive officers" and directors but only with respect to their duties as officers and directors. Stockholders of the organization are also Insureds, but only with respect to their liability as stockholders.

(2) Each of the following is also an Insured:

- (a) "Employees" of the Named Insured, other than "executive officers" (if the Insured is an organization other than an individual, partnership, joint venture, or limited liability company), managers (if the Insured is a limited liability company), temporary workers or borrowed servants, but only for acts within the scope of their employment by the Named Insured or while performing duties related to the conduct of the Named Insured's business;
- (b) Any person (other than an "employee" of the Insured) or any organization, while acting as real estate manager for the Named Insured;
- (c) Any person or organization having proper temporary custody of the Named Insured's property in the event of the Named Insured's death, but only with respect to liability arising out of the maintenance or use of that property, and until the Named Insured's legal representative has been appointed;
- (d) The Named Insured's legal representative in the event of the Named Insured's death, but only with respect to their duties as such. Said legal representative shall have all of the Named Insured's rights and duties under this Policy.

(3) Unnamed Joint Ventures:

With respect to the conduct of any partnership or joint venture of which the Named Insured is a partner or member and which is not shown in the Declarations of this Policy as a Named Insured, this Policy will respond, subject to the limits of liability herein, for that amount of a covered claim for which the Named Insured is directly liable. But such coverage as is afforded by this clause shall apply only in excess of similar coverage provided for in a Policy listed in the "Schedule of Underlying Insurances". In the absence of valid and collectible underlying insurance listed in "Schedule of Underlying Insurances", coverages hereunder shall not apply.

(4) Persons or Entities insured as respects the ownership or operation of Autos or Aircraft, if applicable:

With respect to any "automobile" owned by the Named Insured or hired for use on behalf of the Named Insured, or to any "aircraft" owned by the Named Insured or hired for use on behalf of the Named Insured, any person while using such "automobile" or "aircraft" and any person or organization legally responsible for the use thereof, provided the actual use of the "automobile" or "aircraft" is with the permission of the Named Insured. The coverage extended by this clause (4) shall not apply:

- (a) To any person or organization, or to any officer, director, "employee", or agent thereof, operating an automobile repair shop, public garage, sales agency, service station, or public parking place, with respect to any "occurrence" arising out of the operation thereof;
- (b) To any manufacturer of "aircraft", aircraft engines, or aviation accessories, or any aviation sales or service or repair organization or airport or hangar operator or their respective officers, directors,

"employees", or agents, with respect to any "occurrence" arising out of the operation thereof;

- (c) With respect to any hired "automobile" or "aircraft", to the owner thereof or any officer, director, or "employee" of such owner;
- (d) Unless coverage is provided for "automobiles" or "aircraft" in a Policy listed in the "Schedule of Underlying Insurances", and then only excess of and to the extent of such coverage.

II. EXCLUSIONS

A. GENERAL EXCLUSIONS

This Policy shall not apply to any loss, damage, injury or expense arising out of:

(1) Asbestos, Lead, Biphenyl, Silica, Benzene

- (a) The actual, alleged or threatened absorption, ingestion or inhalation of asbestos, lead, biphenyl, silica or benzene, in any form by any person, or existence of asbestos, lead, biphenyl, silica or benzene in any form;
- (b) The actual, alleged or threatened absorption, ingestion or inhalation of any other solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, spoils, fumes, acids, alkalis, petroleum products or derivatives, chemicals, sewerage, and waste materials or substances, in any form by any person, or existence of any such irritant or contaminant in any form, and that is part of any claim or "suit" that also alleges any loss, injury, damage or expense described in paragraph (a) of this exclusion;
- (c) Any request, demand, order or statutory or regulatory requirement:
 - (i) to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize asbestos, lead, biphenyl, silica or benzene in any form;
 - (ii) to respond to, or assess, in any way the effects of asbestos, lead, biphenyl, silica or benzene in any form.

(2) Breach of Fiduciary Duty

Any actual or alleged breach of fiduciary duty, improper conduct, or conflict of interest in the Insured's performance of duties or responsibilities in the capacity of Officer, Director or Trustee of a corporation.

(3) Claims Made by Foreign, National, State or Local Government

Any claim made by a foreign, national, state, or local government, subdivisions or agencies thereof, unless the claim is for damages occasioned by actual or alleged "bodily injury" or "property damage".

(4) Discrimination, Humiliation

The violation of any statute, law, ordinance, or regulation prohibiting discrimination or humiliation of any nature whatsoever, including discrimination or humiliation based on race, color, creed, religion, sex, age, national origin, alienage, handicap, disability or sexual orientation.

(5) Drilling Rigs, Barges, Tenders, and Platforms

Ownership, use, or operation of drilling rigs, drilling barges, drilling tenders, platforms, flow lines, gathering stations and/or pipe lines, but this exclusion shall not apply to craft servicing the foregoing such as supply, crew, or utility boats, tenders, tugs, or to craft listed on the "Schedule of Vessels".

(6) Employee Retirement Income Security Act

The Employee Retirement Income Security Act of 1974 (ERISA), as amended or any similar or superseding laws.

(7) Employment-Related Practices

Any actual or alleged unlawful acts, whether such acts are alleged to be intentional or otherwise, or any violation of or non-compliance with statutes, laws, ordinances, or regulations, regarding or related to:

- (a) Any refusal to employ or retraction of any employment offer;
- (b) Any suspension or termination of employment of any "employee" of the Insured, including wrongful discharge of "employees";
- (c) Any employment-related practices, policies, acts or omissions such as:
 - (i) The coercion, demotion, evaluation, reassignment, discipline, civil or criminal prosecution, defamation, harassment, or humiliation of any "employee" of an Insured;
 - (ii) Discrimination or harassment of any nature whatsoever against any "employee" of an Insured, including discrimination based on race, color, creed, religion, sex, age, national origin, alienage, handicap, disability, or sexual orientation;
- (d) Actual or alleged violations of the Americans with Disabilities Act;
- (e) Any liability to the spouse, child, parent, brother or sister, or other relative, or dependent of, any "employee" as a consequence of the foregoing;
- (f) Any employment practices related liability to former "employees", including actual or alleged statements and/or disclosures regarding the services of former "employees";
- (g) Actual or alleged violations of the Civil Rights Act of 1964, as amended.

This exclusion (7) applies:

- (i) Whether the Insured is liable as an employer or in any other capacity; and
- (ii) To any obligation to share damages with or repay someone else who must pay damages because of the loss, injury, damage or expense.

(8) Expected or Intended by the Insured

Except to the extent coverage is provided in the "Schedule of Underlying Insurances", and then only excess thereof, "bodily injury" or "property damage" expected or intended from the standpoint of any Insured.

(9) Failure of Insured's Products or Work

Failure of an Insured's products, or work completed by or for an Insured, to perform the function or serve the purpose intended or warranted by the Insured.

(10) Fines, Penalties, Punitive Damages

Any fines, penalties, punitive damages, exemplary damages, or the portion of any multiplied damages award that exceeds the amount multiplied.

(11) Fraud, Infidelity, Dishonesty, Criminal Acts

Fraud, infidelity, dishonesty, and/or criminal acts of any insured or any representative or "employee" of an insured committed individually or in collusion with others.

(12) Intentional Non-Compliance with Laws, Statutes or Regulations

Any intentional non-compliance with any law, statute or regulation unless such claim be for damages occasioned by actual or alleged "bodily injury" or "property damage".

(13) Liabilities to Seamen

Any liability to "employees" of the Insured, under the Jones Act (Merchant Marine Act of 1920), Death on the High Seas Act, General Maritime Law, Federal Employer's Liability Act, or any similar laws applicable to seamen, occurring on any vessel owned, chartered, leased or rented by the Insured; except to the extent that coverage is provided in the Protection & Indemnity or Maritime Employers Liability coverages contained in the "Schedule of Underlying Insurances", and then only excess thereof.

(14) Mold or Other Fungi, or Bacteria

- (a) The actual, alleged or threatened absorption, ingestion or inhalation of mold or other fungi, or bacteria, in any form by any person, and/or the existence of any mold or other fungi, or bacteria, in any form.

To the extent coverage is provided in the "Schedule of Underlying Insurances", and then only excess thereof, this exclusion, (14) (a), does not apply to:

- (i) "Bodily injury" or "property damage" arising out of mold or other fungi, or bacteria, which are part of a product that is intended to be consumed as a food, beverage, or medicine;
 - (ii) "Bodily injury" arising out of bacteria which are directly transmitted solely by or from another person to the person sustaining such "bodily injury"; or
 - (iii) "Bodily injury" arising out of a bacterial infection which develops in connection with a preceding "bodily injury" to that same person that is not excluded by this exclusion (14) (a).
- (b) The actual, alleged or threatened absorption, ingestion or inhalation of any other solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, spoils, fumes, acids, alkalis, petroleum products or derivatives, chemicals, sewerage, and waste materials or substances, in any form by any person, and/or existence of any such irritant or contaminant in any form, and that is part of any claim or

"suit" that also alleges any loss, injury, damage or expense described in paragraph (a) of this exclusion.

- (c) Any request, demand, order or statutory or regulatory requirement:
 - (i) To test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize mold or other fungi, or bacteria, in any form;
 - (ii) To respond to, or assess, in any way the effects of mold or other fungi, or bacteria, in any form.

As used in this exclusion (14):

"Mold or other fungi" means any type or form of mold, mildew, or other fungus, and/or any mycotoxin, spore, scent, or byproduct that is produced or released by such mold, mildew or other fungus.

"Bacteria" means any type or form of bacterium, and/or any mycotoxin, spore, scent, or byproduct that is produced or released by such bacterium.

(15) Non-Payment or Delay of Debt

Any claim for non-payment or delay in payment of charter hire, loans, mortgages, promissory notes, checks, drafts, or any other evidence of debt.

(16) Occupational Disease

Except to the extent coverage is provided in the Protection & Indemnity, Maritime Employers Liability or Employers Liability coverages contained in the "Schedule of Underlying Insurances", and then only excess thereof, "bodily injury" of any person due to occupational and/or industrial diseases and/or injuries gradually contracted from the character of the person's present or prior employment, because thereof, and incidental thereto, and whether or not such employment be in the service of the Insured or otherwise.

(17) Patent Infringement

Infringement of any patent; unauthorized use of trademark, service mark, or trade name; for infringement of any copyright; misappropriation of design, drawing, process or procedure.

(18) Personal and Advertising Injury

"Personal and advertising injury" as respects:

- (a) oral, written or electronic publication of material, if done by or at the direction of the Insured with knowledge of its falsity;
- (b) oral, written or electronic publication of material whose first publication took place before the beginning of the policy period;
- (c) the willful violation of a penal statute or ordinance committed by or with the consent of the Insured;
- (d) liability assumed by the Insured in a contract or agreement. This exclusion, (d), does not apply to liability for damages that the Insured would have in the absence of the contract or agreement;

- (e) the failure of goods, products or services to conform with advertised quality or performance;
- (f) breach of contract, but this shall not apply to claims for unauthorized appropriation of ideas based upon alleged breach of an implied contract;
- (g) incorrect description or labeling of any article or commodity;
- (h) mistake in advertised price;
- (i) an electronic chatroom or bulletin board the Insured hosts, owns or over which the Insured exercises control;
- (j) the unauthorized use of another's name or product in the Insured's e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers;
- (k) failure to adhere to the national do not call list;
- (l) unauthorized dissemination/disclosure of personal information.

(19) Pollution

The actual, alleged or threatened seepage, discharge, dispersal, disposal or dumping, release, migration, emission, spillage, escape, or leakage of "pollutants" into or upon land, atmosphere, environment, or any watercourse or body of water, as well as:

- (a) Any cost or expense imposed upon or assumed by the insured, or arising out of any request, demand or order upon any insured or others, or arising out of any claim or "suit" brought by or on behalf of a governmental authority, in connection with testing for, monitoring, evaluating, controlling, cleaning up, removing, containing, treating, detoxifying, nullifying, neutralizing, or in any way responding to, or assessing the effects of, "pollutants";
- (b) Any cost or expense imposed upon or assumed by the insured, or arising out of any request, demand or order upon any insured or others, or arising out of any claim or "suit" brought by or on behalf of a governmental authority, in connection with damage to or degradation of natural resources, including fish, animals, vegetation, and other life form inhabitants, and/or to the environment, including costs of assessing whether and to what extent such damage or degradation has occurred, costs of evaluating, monitoring, controlling, removing and/or nullifying such damage or degradation, and costs of replacing, replenishing and/or acquiring the equivalent of damaged or degraded natural resources;
- (c) Any loss, injury, damage or expense arising out of "pollutants" which were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom the insured may be legally responsible.

(20) Professional Liability, Errors and Omissions

Any error or omission, malpractice or mistake in the performance of professional services committed or alleged to have been committed by or on behalf of the Insured in the conduct of any of the Insured's business activities. Professional services include the preparation or approval of: maps, plans, opinions, reports, surveys, designs or specifications, inspections, and other similar items.

(21) Securities Acts

Any alleged violation(s) of any federal or state law regulating, controlling and governing stock, bonds or securities of any type or nature, including without limitation the Securities Act of 1933, the Securities Act of 1934, the Sherman Anti-Trust Act, the Robinson-Patman Anti-Trust Act, the Clayton Anti-Trust Act, the Hart-Scott-Rodino Act, as amended, or any similar or superseding laws, and blue-sky laws or statutes.

(22) Stockholder's Derivative Action

Any stockholder's derivative action.

(23) Uninsured Motorists, Underinsured Motorists or Automobile No-Fault Laws

Any liability or obligation of the Insured under any "automobile":

- (a) uninsured motorist;
- (b) underinsured motorists; or
- (c) no-fault or other first party benefits law.

(24) Violation of Trade Law

Any actual or alleged violation of any securities, antitrust, restraint of trade, unfair competition, deceptive trade practices, or consumers protection statutes or limitations.

(25) War

- (a) War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, or military or usurped power, or confiscation, nationalization, requisition, destruction of, or damage to property by, or under the order of, any government or public or local authority.
- (b) Nevertheless, this exclusion shall not apply, except as provided in sub-division (c) below, to liabilities:
 - (i) arising in connection with vessels owned, chartered, hired, or otherwise used by the Insured;
 - (ii) arising out of property of any kind in transit by land, water, or air during such periods as would be covered for full war risks under an insurance covering physical loss of or damage to cargo subject to the London or American Institute War Clauses relevant to the particular form of transit;
 - (iii) arising out of any waterborne operations;
 - (iv) to seamen;
 - (v) for death of, or "bodily injury" to, persons of any kind.
- (c) Notwithstanding the provisions of sub-division (b), the clause set out in sub-division (a) shall apply to the liabilities in sub-division (b):
 - (i) Unless applied sooner under the provisions of sections (ii) or (iii) of this sub-division (c), automatically upon and simultaneously with

the outbreak of war (whether there be a declaration of war or not) between any of the following countries: United States of America, United Kingdom (or any other member of the British Commonwealth), France, the Former Union of Soviet Socialist Republics, and the People's Republic of China;

- (ii) At any time at the Named Insured's request, or by this Company giving 14 days written notice to the Named Insured, but in no event shall such notice affect or postpone the operation of the provisions of sections (i) and (iii) of this sub-division (c). Written notice sent to the Insured at its last known address shall constitute a complete notice, and such notice mailed, telexed, telefaxed, or telegraphed to the Insured, care of the broker that negotiated this Policy, shall have the same effect as if sent to the Insured directly. The sending of notice as aforesaid shall be sufficient proof of notice and the effective date and hour of the operation of the clause set out in sub-division (a) above shall be 14 calendar days from midnight of the day on which such notice was sent. This Company agrees, however, that the clause set out in sub-division (a) above shall not apply if, prior to the effective date and hour, this Company and the Insured agree as to the additional premium and/or new conditions and/or warranties;
- (iii) Unless sooner terminated under the provisions of sections (i) or (ii) of this sub-division (c), automatically in respect of an insured vessel if and when such vessel is requisitioned, either for title or use, by the Government of the United States, or of the country in which the vessel is owned or registered, or of the country in which any such right of requisition is vested.
- (d) If, subsequent to the agreement of an additional premium as provided by section (ii) of sub-division (c), either the Insured or this Company again elect to exercise the option provided therein, or section (i) or (iii) of subdivision (c) becomes operative, pro rata net return of the additional premium paid shall be refunded to the Insured. Such return premium will be paid on demand or as soon thereafter as practicable to do so.

(26) Workers Compensation and Similar Acts

Any obligation for which the Insured or any carrier as his insurer may be held liable under Workers Compensation, Unemployment Compensation, Disability Benefits, the Longshoremen and Harbor Workers Compensation Act, or under any similar law or act.

B. CONDITIONAL EXCLUSIONS

These Conditional Exclusions shall not apply to liability arising out of the Insured's activities involving ownership, charter, use, operation, maintenance, loading or unloading of, or as a bailee of, any watercraft not otherwise excluded or limited elsewhere in this Policy.

Unless coverage is provided for in an underlying policy listed in the "Schedule of Underlying Insurances", and then this Policy shall only operate as excess thereof, this Policy shall not apply to any loss, damage, injury or expense arising out of:

(1) Automobile or Aircraft

The ownership, maintenance, operation, use, entrustment to others, loading or unloading of any "automobile" or "aircraft".

(2) Bodily Injury to Co-Employee

"Bodily injury" to an "employee" committed by another "employee" of the same Insured injured in the course of such employment.

(3) Care, Custody and Control

Property while in the care, custody or control of the Insured.

(4) Completed Operations

The Insured's operations, if the "occurrence" takes place after such operations have been completed or abandoned and occurs away from premises owned, rented, or controlled by the Insured; provided that operations shall not be deemed incomplete because improperly or defectively performed or because further operations may be required pursuant to agreement; provided further that this paragraph shall not apply to the following Insured's operations:

- (a) pick-up or delivery, except from or onto a railroad car;
- (b) the maintenance of any "automobile" or "aircraft" owned or used by or on behalf of the Insured;
- (c) the existence of tools, uninstalled equipment and abandoned or unused materials.

(5) Contractual Liability

Assumed under contract.

(6) Products Liability

Goods or products manufactured, sold, handled, distributed, or disposed of by the Insured, or by others trading under its name, if the "occurrence" occurs after possession of such goods or products has been relinquished to others by the Insured, or by others trading under its name, and if such "occurrence" occurs away from premises owned, rented, or controlled by the Insured.

III. GENERAL CONDITIONS

A. ADDITIONAL INSURED

In the event of Additional Insureds being added to any Policy listed in the "Schedule of Underlying Insurances" during the currency of this Policy, coverage shall be provided hereunder for such Additional Insureds, subject to the following:

- (1) Such coverage shall apply only in excess of similar coverage provided for in a Policy listed in the "Schedule of Underlying Insurances". In the absence of valid and collectible underlying insurance listed in "Schedule of Underlying Insurances", coverages hereunder shall not apply;
- (2) When Additional Insureds are added to a Policy listed in the "Schedule of Underlying Insurance" due to the requirements of a written or oral contract, such coverage shall apply only when contract conditions between the Named Insured and the referenced Additional Insured so require, and only insofar as is necessary to meet the requirements of such contract conditions;

- (3) This Policy will not insure or defend any claims for liabilities arising out of the sole fault or sole negligence of the Additional Insured;
- (4) Coverage provided hereunder for Additional Insureds is further subject to all of the exclusions and limitations contained elsewhere in this Policy;
- (5) The inclusion of Additional Insureds shall not increase the per "occurrence" or offense limit and/or "annual aggregate limit" of liability under this Policy;
- (6) In the event of a cancellation or change in Policy coverage, unless specifically endorsed in writing to the contrary hereon, no obligation is imposed on this Company to send notice of cancellation or change of coverage to an Additional Insured.

B. APPEALS

In the event the Insured or the Insured's "Underlying Insurers" elect not to appeal a judgment in excess of any Underlying Limits, this Company may elect to make such appeal at their cost and expense, and shall be liable for the taxable costs and disbursements and interest incidental thereto, but in no event shall the liability of this Company for "Ultimate Net Loss" exceed the amount set forth in Section I. Insuring Agreement, B. Limit of Liability for any one "occurrence" or offense and, in addition, the cost and expense of such appeal plus the taxable costs and disbursements and interest incidental thereto.

C. ASSIGNMENT

The assignment of any interest under this Policy shall not bind this Company until its written consent to such assignment is added to this Policy by endorsement.

D. ASSISTANCE AND COOPERATION

This Company shall not be called upon to assume charge of the settlement or defense of any claim made or "suit" brought or proceeding instituted against any Insured, but this Company shall have the right and shall be given the opportunity to associate with the Insured or the Insured's "Underlying Insurers", or both, in the defense and control of any claim, "suit", or proceeding relative to an "occurrence" or offense where the claim, "suit", or proceeding involves or appears reasonably likely to involve this Company, in which event the Insured, the "Underlying Insurers", and this Company shall cooperate in all things in the defense of such claim, "suit", or proceeding, but this Company shall have the right to make such investigation, negotiation, and settlement of any claim or "suit" as may be deemed expedient by this Company.

E. BANKRUPTCY OR INSOLVENCY

In the event of the bankruptcy or insolvency of any Insured, or any entity comprising the Insured, this Company shall not be relieved of its obligations under this Policy.

F. CANCELLATION

This Policy may be cancelled by the Named Insured by mailing to the Company written notice stating when thereafter such cancellation shall be effective. This Policy may be cancelled by the Company by mailing to the Named Insured at the address shown on the Declarations, written notice of cancellation, at least **as set forth in the Declarations** days before the effective date of cancellation. In the event of non-payment of premium, written notice of cancellation shall be **as set forth in the Declarations** days before the effective date of cancellation. If the Named Insured cancels, earned premium

shall be computed in accordance with the customary short rate table and procedure. If the Company cancels, earned premium shall be computed pro rata.

In the event of any underlying war risk insurance being cancelled, such cancellation shall simultaneously cancel any applicable excess coverage provided by this Policy.

G. CONFLICTING STATUTES

In the event that any provision of this Policy is unenforceable by the Insured under the laws of any State or other jurisdiction wherein it is claimed that the Insured is liable for any injury covered hereby, because of non-compliance with any statute thereof, then this Policy shall be enforceable by the Insured with the same effect as if it complied with such statute.

H. CROSS LIABILITY

In the event of an Insured incurring liability to any other Insured, this Policy shall cover that Insured against whom claim is or may be made in the same manner as if separate policies had been issued to each Insured. Nothing contained herein shall operate to increase this Company's limit of liability as set forth in Section I. Insuring Agreement, B. Limit of Liability.

I. CURRENCY

All premiums due under this Policy are payable in United States currency. With respect to claims, all amounts recoverable under this Policy which have been incurred in foreign currencies shall be payable in United States currency computed at the current rate of exchange on the date of payment of the claim.

J. GEOGRAPHICAL LIMITS

This Policy covers the operations of the Insured anywhere in the world.

K. INSOLVENCY OF PRIMARY INSURER

In the event of the bankruptcy or insolvency or inability to pay of any underlying insurer, or in the event of an Insured's inability to pay the amount of any loss from any self-insured retention established by or for the Insured, the insurance afforded under this Policy shall apply only in excess of the applicable limit of liability set forth in the Schedule of Underlying Insurance as if such bankruptcy, insolvency, or inability to pay had not occurred. Under no circumstances shall this Company be required to drop down and assume the obligations of any underlying insurer, who is bankrupt, insolvent or for any reason unable to pay losses and/or expenses.

L. MAINTENANCE OF UNDERLYING INSURANCE

- (1) It is a condition of this Policy that the Policy or policies referred to in the attached "Schedule of Underlying Insurances" shall be maintained in full effect during the currency of this Policy except for any reduction of the aggregate limit or limits contained therein solely by payment of claims in respect of "occurrences" which take place, or offenses which are committed, during the period of this Policy.
- (2) Inadvertent failure of the Insured to comply with sub-division (1) above, or inadvertent failure to notify this Company of any changes in the underlying insurances, shall not prejudice the Insured's rights of recovery under this Policy; but in the event of such failure, this Company is to be liable only to the same extent as it would have been had the Insured complied with sub-division (1) above.

- (3) The Insured shall give this Company prompt written notice as soon as practicable of any change in the status or scope of coverage or in the amount of any "Underlying Insurer's" policy.

M. NOTICE AND DUTIES IN THE EVENT OF CLAIM

Whenever the Insured has information from which it may reasonably be concluded that an "occurrence" or offense likely to involve this Policy has happened, notice shall be sent to this Company as soon as practicable. Notice should include: how, when and where the "occurrence" or offense took place and the names and addresses of any injured persons and witnesses.

If a claim is made or "suit" is brought against any Insured which may result in a claim against this insurance, the Insured must give this Company prompt written notice of the claim or "suit".

However, the failure to notify this Company of any "occurrence" or offense which at the time of its happening did not appear to involve this Policy, but which at a later time would appear to give rise to claims hereunder, shall not prejudice such claims.

N. OTHER INSURANCE

If other valid and collectible insurance with any other insurer is available to the Insured covering a loss or expense also covered by this Policy, other than insurance that is in excess of the insurance afforded by this Policy, the insurance afforded by this Policy shall be in excess of and shall not contribute with such other insurance, either as double insurance or otherwise. Nothing herein shall be construed to make this Policy subject to the terms, conditions, and limitation of any such other insurance.

O. POLICY PERIOD

The Policy period shall be the duration of time as set forth in the Declarations attached to this Policy, during which coverage is in force hereunder, unless sooner terminated as provided under Clause F. Cancellation, of this Section.

P. SUBROGATION

This Company will act in concert with all other interests (including the Insured) concerned in the exercise of any rights of recovery. The apportioning of any amounts which may be so recovered shall follow the principle that any interests (including the Insured) that shall have paid an amount over and above any payment under this Policy shall first be reimbursed up to the amount paid by them; this Company is then to be reimbursed out of any balance then remaining up to the amount paid under this Policy; lastly, the interests (including the Insured) of whom this coverage is in excess are entitled to claim the residue, if any. Expenses necessary to the recovery of any such amounts shall be apportioned between the interests (including the Insured) concerned, in the ratio of their respective recoveries as finally settled.

Q. SUITS AGAINST THIS COMPANY

No action shall lie against this Company for the recovery of any loss sustained by any Insured unless such action is brought against this Company within one year after the final judgment or decree is entered in the litigation against the Insured, or in case the claim against this Company accrues without the entry of such final judgment or decree, unless such action is brought within one year from the date of the payment of such claim; provided, however, that where such limitations of time are prohibited by the laws of the State wherein this Policy is issued, then and in that event no action under this Policy shall be sustainable

unless commenced within the shortest limitation permitted under the laws of such State.

R. VESSELS INSURED

If this Policy includes a "Schedule of Vessels", then only those vessels listed thereunder are covered by this Policy.

Additional vessels added to any Policy in the "Schedule of Underlying Insurances" by means of an automatic attachment clause shall be deemed to be similarly added to coverage hereunder provided that written notice is given to this Company within 30 days of attachment, or as provided for in the underlying coverage, whichever is greater. Vessels deleted from any Policy in the "Schedule of Underlying Insurances" are simultaneously deleted from this Policy.

Additions to the "Schedule of Vessels" hereunder may be subject to an additional premium to be agreed.

In the event of a change of ownership or management of a vessel insured hereunder to a party not already included as an Insured, coverage upon that vessel shall cease unless the change is noted and agreed to by the "Underlying Insurers", in which case notice of such change shall be communicated to this Company hereunder promptly.

IV. DEFINITIONS

A. ADVERTISEMENT

Advertisement means a notice that is broadcast or published to the general public or specific market segments about the Named Insured's goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

- (1) Notices that are published include material placed on the Internet or on similar electronic means of communication; and
- (2) Regarding web-sites, only that part of a web-site that is about the Named Insured's goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

B. AIRCRAFT

Aircraft means any heavier-than-air or lighter-than-air craft designed to transport persons or property via air. The foregoing does not apply to hovercraft.

C. ANNUAL AGGREGATE LIMIT

Annual Aggregate Limit means the total amount payable during an annual policy period regardless of the number of claims, "occurrences" or offenses during said annual period.

D. AUTOMOBILE

Auto or Automobile means a land motor vehicle, trailer or semi trailer, designed for travel on public roads, including any attached machinery or equipment.

E. BODILY INJURY

Bodily injury means any physical harm, including sickness or disease to the physical health of a person.

This Company will consider any of the following that happens at any time to be part of such physical harm, sickness or disease, if it results in or from such physical harm, sickness or disease:

- (1) Mental anguish, injury or illness;
- (2) Emotional distress;
- (3) Care, loss of services, or death.

F. EMPLOYEE

Employee means any person performing services for an Insured through employment arrangements of any type, including any person described as a leased worker, temporary worker, or borrowed servant.

G. EXECUTIVE OFFICER

Executive officer means a person holding any of the officer positions created by the Named Insured's charter, constitution, by-laws or any other similar governing document.

H. OCCURRENCE

The word occurrence, wherever used in this Policy, means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

I. PERSONAL AND ADVERTISING INJURY

Personal and advertising Injury means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- (1) False arrest, detention or imprisonment;
- (2) Malicious prosecution;
- (3) The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- (4) Oral, written or electronic publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- (5) Oral, written or electronic publication, in any manner, of material that violates a person's right of privacy;
- (6) The use of another's advertising idea in the Named Insured's "advertisement"; or
- (7) Infringing upon another's copyright, trade dress or slogan in the Named Insured's "advertisement".

J. POLLUTANTS

Pollutants means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, petroleum products or derivatives, chemicals, sewerage, spoils, and waste materials or substances. Waste materials or substances includes materials to be recycled, reconditioned or reclaimed.

K. PROPERTY DAMAGE

Property damage means:

- (1) Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- (2) Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

L. SCHEDULE OF UNDERLYING INSURANCES

The words Schedule of Underlying Insurances, wherever used in this Policy, means those insurance policies listed on the schedule attached to this Policy.

M. SCHEDULE OF VESSELS

The words Schedule of Vessels, wherever used in this Policy, mean those watercraft listed on the schedule attached to this Policy.

N. SUIT

Suit means a civil proceeding in which damages to which this insurance applies are alleged. Suit includes:

- (1) An arbitration proceeding in which such damages are claimed and to which the Insured must submit or does submit with our consent; or
- (2) Any other alternative dispute resolution proceeding in which such damages are claimed and to which the Insured submits with our consent.

O. ULTIMATE NET LOSS

The terms Ultimate Net Loss, means the total sum which the Insured becomes obligated to pay by reason of matters set out in Section I. Insuring Agreement, A.. Coverage, including compromise settlements, and shall include hospital, medical, and funeral charges and all sums paid as salaries, wages, compensation, fees, charges, and law costs, premiums on attachment or appeal bonds, interest, expenses for doctors, lawyers, nurses, and investigators and other persons, and for litigation, settlement, adjustment, and investigation of claims and "suits" which are paid as a consequence of any "occurrence" or offense covered hereunder, excluding however, the salaries of the Insured's regular officers and "employees" and general office overhead and also excluding any part of such expenses for which the Insured is covered by other valid and collectible insurance.

P. UNDERLYING INSURERS

The words Underlying Insurers, wherever used in this Policy, means those insurers subscribing to the policies listed in the "Schedule of Underlying Insurances".

COPY

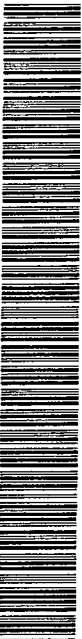
BUMBERSHOOT POLICY FORM

SCHEDULE OF UNDERLYING INSURANCES

Coverage	Company	Policy Number	Limit of Liability	Effective Dates
Marine General Liability including all coverages	St. Paul Fire & Marine Insurance Company	OL08400599	\$1,000,000 per Occurrence \$2,000,000 Gen Aggregate	06/09/08 to 06/09/09
P&I / Collision / Tower's	St. Paul Fire & Marine Insurance Company	OH08400495	\$1,000,000	06/09/08 to 06/09/09
Automobile Liability	First National Insurance Co.	01CH89403301	\$1,000,000	06/09/08 to 06/09/09
MEL/Employers Liability	SeaBright Insurance Co.	BB1081732	\$1,000,000	06/09/08 to 06/09/09
Vessel Pollution	WQIS	4150691	\$5,000,000	06/09/08 to 06/09/09

Name of Insured
PACIFIC PILE & MARINE LP

Effective Date 06/09/08
Processing Date 07/02/08 17:57 001



Coverage	Company	Policy Number	Limit of Liability	Effective Dates

**DISCLOSURE NOTICE
TERRORISM RISK INSURANCE ACT OF 2002
REJECTION OF OUR OFFER OF COVERAGE**

You did not accept our offer of coverage for certified acts of terrorism, as defined in and certified under the Terrorism Risk Insurance Act of 2002. Therefore, this policy contains one or more exclusions that apply to certified acts of terrorism. Under the federal Terrorism Risk Insurance Program Reauthorization Act of 2007, the applicable definition of certified acts of terrorism no longer requires that the act of terrorism be committed on behalf of a foreign person or foreign interest. Therefore, each such exclusion is not limited to an act of terrorism committed on behalf of a foreign person or interest.

If you were not made aware of our offer of coverage for certified acts of terrorism, or believe that this notice was included in this policy in error, please notify your agent or broker immediately.

Name of Insured: PACIFIC PILE & MARINE LP

Policy Number: OX08400163

Effective Date: 06/09/08

Processing Date: 07/02/08 17:57 001

IMPORTANT NOTICE - INDEPENDENT AGENT AND BROKER COMPENSATION

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR BROKER IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.

For information about how Travelers compensates independent agents and brokers, please visit www.travelers.com, call our toll-free telephone number, 1-866-904-8348, or you may request a written copy from Marketing at One Tower Square, 2GSA, Hartford, CT 06183.



OCEAN MARINE CLAIM

COVERING THE WATERS OF THE WORLD

At Travelers, we know that professional claim handling means knowing that you'll get answers, not hassles. It means knowing that your clients will be treated fairly, and that their claims will receive prompt attention and unmatched professional service. It means knowing that you'll be working with an experienced staff who understand your client's business and will do what they promise - whether it's returning a phone call or e-mail, making a personal visit or sending a check. Most importantly, it's knowing that what matters to you is what matters to us.

Our dedicated Ocean Marine Claim Unit, under the leadership of Anthony Corsale, features professionals located where you need them - in the field. Working in tandem with our claim handlers, our recovery specialists help maximize your recovery potential while keeping your expenses to a minimum.

For the most efficient claim service, please call, fax or e-mail your claims directly to the regional or specialty manager for the state where you are located.

Region / Specialty	States	Manager
West	AZ, CA, CO, HI, NM, NV, UT	Donna Zeller Phone: 206.464.5740 Fax: 206.464.3432 E-mail: dzeller@travelers.com
Northwest	AK, ID, MT, OR, WA, WY	Donna Zeller Phone: 206.464.5740 Fax: 206.464.3432 E-mail: dzeller@travelers.com
Midwest	IA, IL (northern), IN, KY, MI, MN, ND, NE, OH, SD, WI	Wyndell Hunt Phone: 281.606.7251 Fax: 281.606.8516 E-mail: wdhunt@travelers.com
Northeast	CT, MA, ME, NH, NY, RI, VT	Theresa Gilbert Phone: 917.778.6411 Fax: 917.778.7009 E-mail: tgilbert@travelers.com
Mid-Atlantic and Southeast	AL, DC, DE, FL, GA, MD, NC, NJ, PA, SC, TN, VA, WV	Mark Smieya Phone: 732.205.9275 Fax: 888.479.0550 E-mail: msmieya@travelers.com
South Central	AR, IL (southern), KS, LA, MO, MS, OK, TX	Wyndell Hunt Phone: 281.606.7251 Fax: 281.606.8516 E-mail: wdhunt@travelers.com
Recovery	Countrywide	Suzanne Chaffer Phone: 631.577.7403 Fax: 631.577.7877 E-mail: schaffer@travelers.com
Yachts	Countrywide	Joe Grenzebach Phone: 954.677.3329 Fax: 954.735.9028 E-mail: jgrenzeb@travelers.com

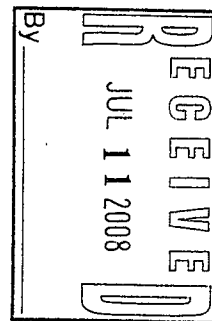


* 4 C O O 2 OX08400163 7807 * M: 00 I: 000 T: 001 CC: 000 D628

4600374

7807
SEATTLE 4TH AVENUE
1501 4TH AVENUE
SEATTLE WA 98101-3225

ATTN- ROBERTA TANSEY
BASIC GROUP LLC
1011 NE HIGH ST SUITE 101
ISSAQUAH WA 98029





* 5 C O O 2 DX08400163 4023

*

M: 00 I: 000 T: 004

CC: 000 D628

4600374

4023

SEATTLE 4TH AVENUE
1501 4TH AVENUE
SEATTLE WA 98101-3225

ATTN- ROBERTA TANSEY
BASIC GROUP LLC
1011 NE HIGH ST SUITE 101
ISSAQUAH WA 98029

COPY

POLICY CHANGE ENDORSEMENT - FOR CERTAIN TYPES OF CHANGES ONLYThe **StPaul**

This endorsement summarizes certain changes to your policy. All other terms of your policy not affected by these changes remain the same.

How Your Policy Is Changed

The following item(s):

- | | |
|---|--|
| <input type="checkbox"/> Insured's Name | <input type="checkbox"/> Insured's Mailing Address |
| <input type="checkbox"/> Policy Number | <input type="checkbox"/> Company |
| <input type="checkbox"/> Effective/Expiration Date | <input type="checkbox"/> Insured's Legal Status/ Bus. of Insured |
| <input type="checkbox"/> Payment Plan | <input type="checkbox"/> Premium Determination |
| <input type="checkbox"/> Additional Interested Parties | <input type="checkbox"/> Coverage Forms and Endorsements |
| <input type="checkbox"/> Limits/Exposures | <input type="checkbox"/> Deductibles |
| <input checked="" type="checkbox"/> Covered Property/Location Description | <input type="checkbox"/> Classification/Class Codes |
| <input type="checkbox"/> Rates | <input type="checkbox"/> Underlying Insurance |

is (are) changed to read: (See also back page and additional page(s) if applicable)

Effective December 31, 2008 and in consideration of the premium charged it is hereby understood and agreed that the following is added to the schedule of vessels:

Barge "ST. HELENS"

Premium Change Which Is Due Now☒ No change ☐ To be adjusted at audit

Additional premium

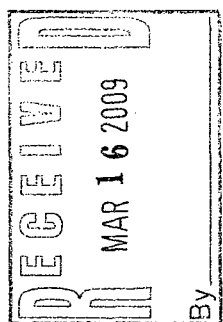
Returned premium

If issued after the date your policy begins, these spaces must be completed and our representative must sign below.

Policy issued to:
PACIFIC PILE & MARINE LP

Authorized representative

Endorsement takes effect: Policy number:
12/31/08 0X08400163
Processing date: 03/11/09 17:32 004





* 5 C O O 2 DX08400163 4035

*

M: OO I: 000 T: 006

CC: 000 D628

4600374

4035
SEATTLE 4TH AVENUE
1501 4TH AVENUE
SEATTLE WA 98101-3225

ATTN- ROBERTA TANSEY
BASIC GROUP LLC
1011 NE HIGH ST SUITE 101
ISSAQUAH WA 98029

COPY

POLICY CHANGE ENDORSEMENT - FOR CERTAIN TYPES OF CHANGES ONLYThe **StPaul**

This endorsement summarizes certain changes to your policy. All other terms of your policy not affected by these changes remain the same.

How Your Policy Is Changed

The following item(s):

- | | |
|--|--|
| <input checked="" type="checkbox"/> Insured's Name | <input type="checkbox"/> Insured's Mailing Address |
| <input type="checkbox"/> Policy Number | <input type="checkbox"/> Company |
| <input type="checkbox"/> Effective/Expiration Date | <input type="checkbox"/> Insured's Legal Status/ Bus. of Insured |
| <input type="checkbox"/> Payment Plan | <input type="checkbox"/> Premium Determination |
| <input type="checkbox"/> Additional Interested Parties | <input type="checkbox"/> Coverage Forms and Endorsements |
| <input type="checkbox"/> Limits/Exposures | <input type="checkbox"/> Deductibles |
| <input type="checkbox"/> Covered Property/Location Description | <input type="checkbox"/> Classification/Class Codes |
| <input type="checkbox"/> Rates | <input type="checkbox"/> Underlying Insurance |

is (are) changed to read: (See also back page and additional page(s) if applicable)

Effective February 5, 2009 and in consideration of the premium charged it is hereby understood and agreed that the following is added as a Named Insured:

Pacific Pile & Marine LP, Limited Partnership,
Pacific Pile & Marine Management INC, GP

Premium Change Which Is Due Now

☒ No change ☐ To be adjusted at audit

Additional premium

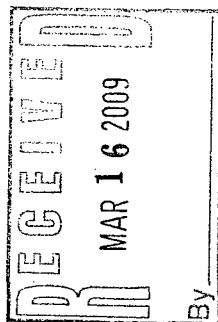
Returned premium

If issued after the date your policy begins, these spaces must be completed and our representative must sign below.

Policy issued to:
PACIFIC PILE & MARINE LP

Authorized representative

Endorsement takes effect: Policy number:
02/05/09 OX08400163
Processing date: 03/11/09 17:43 006





* 5 C O O 2 OX08400163 4029

*

M: 00 I: 000 T: 005

CC: 000 D628

4600374

4029

SEATTLE 4TH AVENUE
1501 4TH AVENUE
SEATTLE WA 98101-3225

ATTN- ROBERTA TANSEY
BASIC GROUP LLC
1011 NE HIGH ST SUITE 101
ISSAQUAH WA 98029

COPY

POLICY CHANGE ENDORSEMENT - FOR CERTAIN TYPES OF CHANGES ONLY**The St Paul**

This endorsement summarizes certain changes to your policy. All other terms of your policy not affected by these changes remain the same.

How Your Policy Is Changed

The following item(s):

- | | |
|--|--|
| <input checked="" type="checkbox"/> Insured's Name | <input type="checkbox"/> Insured's Mailing Address |
| <input type="checkbox"/> Policy Number | <input type="checkbox"/> Company |
| <input type="checkbox"/> Effective/Expiration Date | <input type="checkbox"/> Insured's Legal Status/ Bus. of Insured |
| <input type="checkbox"/> Payment Plan | <input type="checkbox"/> Premium Determination |
| <input type="checkbox"/> Additional Interested Parties | <input type="checkbox"/> Coverage Forms and Endorsements |
| <input type="checkbox"/> Limits/Exposures | <input type="checkbox"/> Deductibles |
| <input type="checkbox"/> Covered Property/Location Description | <input type="checkbox"/> Classification/Class Codes |
| <input type="checkbox"/> Rates | <input type="checkbox"/> Underlying Insurance |

is (are) changed to read: (See also back page and additional page(s) if applicable)

Effective January 12, 2009 and in consideration of the premium charged it is hereby understood and agreed that the following is added as a Named Insured:

Brackish Properties, LLC

Premium Change Which Is Due Now

☒ No change ☐ To be adjusted at audit

Additional premium

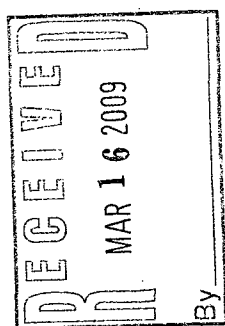
Returned premium

If issued after the date your policy begins, these spaces must be completed and our representative must sign below.

Policy issued to:
PACIFIC PILE & MARINE LP

Authorized representative

Endorsement takes effect: Policy number:
01/12/09 0X08400163
Processing date: 03/11/09 17:37 005





* 5 C O O 2 0X08400163 7261

*

M: 00 I: 000 T: 003

CC: 000 D628

4600374

7261

SEATTLE 4TH AVENUE
1501 4TH AVENUE
SEATTLE WA 98101-3225

ATTN- MARIA MOSS
BASIC GROUP LLC
1011 NE HIGH ST SUITE 101
ISSAQUAH WA 98029

COPY

POLICY CHANGE ENDORSEMENT - FOR CERTAIN TYPES OF CHANGES ONLYThe **StPaul**

This endorsement summarizes certain changes to your policy. All other terms of your policy not affected by these changes remain the same.

How Your Policy Is Changed

The following item(s):

- | | |
|--|--|
| <input checked="" type="checkbox"/> Insured's Name | <input type="checkbox"/> Insured's Mailing Address |
| <input type="checkbox"/> Policy Number | <input type="checkbox"/> Company |
| <input type="checkbox"/> Effective/Expiration Date | <input type="checkbox"/> Insured's Legal Status/ Bus. of Insured |
| <input type="checkbox"/> Payment Plan | <input type="checkbox"/> Premium Determination |
| <input type="checkbox"/> Additional Interested Parties | <input type="checkbox"/> Coverage Forms and Endorsements |
| <input type="checkbox"/> Limits/Exposures | <input type="checkbox"/> Deductibles |
| <input type="checkbox"/> Covered Property/Location Description | <input type="checkbox"/> Classification/Class Codes |
| <input type="checkbox"/> Rates | <input type="checkbox"/> Underlying Insurance |

is (are) changed to read: (See also back page and additional page(s) if applicable)

Effective December 4, 2008 and in consideration of the premium charged it is hereby understood and agreed that the following is added as a Named Insured:

Saltair Equipment, LLC

Premium Change Which Is Due Now

☒ No change ☐ To be adjusted at audit

Additional premium

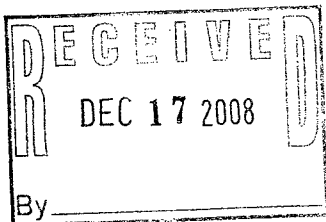
Returned premium

If issued after the date your policy begins, these spaces must be completed and our representative must sign below.

Policy issued to:
PACIFIC PILE & MARINE LP

Authorized representative

Endorsement takes effect: Policy number:
12/04/08 OX08400163
Processing date: 12/11/08 19:15 003





* 1 C O O 2 OX08400163 7647

* M: OO I: 000 T: 002

CC: 000 D628

4600374

7647
SEATTLE 4TH AVENUE
1501 4TH AVENUE
SEATTLE WA 98101-3225

ATTN- MARIA MOSS
BASIC GROUP LLC
1011 NE HIGH ST SUITE 101
ISSAQUAH WA 98029

COPY

Endorsement #1

Effective per the dates shown below, it is understood and agreed that the following vessels are added to the Schedule of Vessels hereunder, in consideration of the premium already charged.

Vessel:

Dump Barge "MUD PUP"

Effective: August 21, 2008 until expiration

Vessel:

Freight Barge "KP-1"

Effective: September 10, 2008 until December 10, 2008

Vessel:

Freight Barge "KP-2"

Effective: September 10, 2008 until December 10, 2008

Vessel:

Freight Barge "PORPOISE"

Effective: October 1, 2008 until January 1, 2009

Vessel:

Freight Barge "CALLAPOOYA"

Effective: October 1, 2008 until January 1, 2009

Vessel:

Freight Barge "COOL BOB"

Effective: October 1, 2008 until January 1, 2009

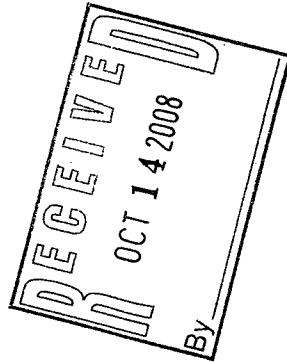
It is also understood and agreed that Boyer Towing, Inc. is added as an Additional Assured with waiver of subrogation as respects these vessels only. Boyer Towing, Inc. shall be provided 30 days written notice of cancellation or material modification of this policy.

Name of Insured

PACIFIC PILE & MARINE LP

Effective Date 08/21/08

Processing Date 10/08/08 18:18 002



OCEAN MARINE POLICY OF INSURANCE NAVIGATORS INSURANCE COMPANY

In consideration of the premium hereinafter stated, the Companies named herein agree to insure the assured named herein in the amount(s) and subject to the terms, conditions, stipulations, forms, clauses, endorsements attached hereto and which are hereby made a part of this Policy.

POLICY NUMBER: SE08LIA9194/81

ASSURED: Pacific Pile & Marine LP
582 Riverside Drive
Seattle, WA 98108

ADDITIONAL ASSURED: As per Endorsement #1 attached hereto

POLICY PERIOD: December 19, 2008 to June 9, 2009
Beginning and ending at Noon, Pacific Standard Time

INTEREST INSURED: Excess Marine Bumbershoot and Excess Liability Coverage as scheduled hereunder

LIMIT OF LIABILITY: \$5,000,000.00 excess of \$5,000,000 Excess of Scheduled Underlying (\$1,000,000.00 minimum per accident or occurrence), as per policy

PREMIUM: \$14,000.00 Minimum Earned Premium

BROKER: Bacic Group LLC
1011 NE High Street, Suite 101
Issaquah, WA 98029

by:

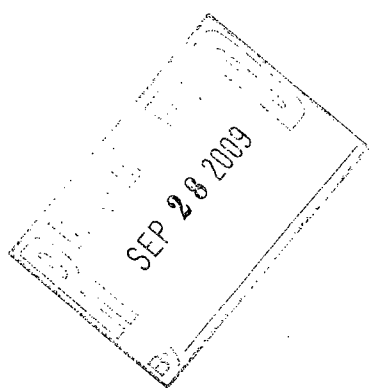
Rebecca Stinson Lane

Date: 9/24/09

On behalf of Navigators Insurance Company through
Navigators Insurance Services of WA, Inc.

COPY





COPY

EXCESS MARINE BUMBERSHOOT AND EXCESS LIABILITIES

1. ASSURED:

- A. NAMED ASSURED: Pacific Pile & Marine LP
582 S. Riverside Drive
Seattle, WA
- B. ADDITIONAL ASSURED: (see Special Conditions, Clause 9A)
Any subsidiary, associated or affiliated companies over which the Named Assured has financial or managerial control.

2. POLICY PERIOD: December 19, 2008 to June 9, 2009
beginning and ending at Noon, Pacific Standard Time

3. COVERAGE:

These Assurers will pay on behalf of the Assured (subject to the provisions, limitations, terms, conditions, definitions and exclusions hereinafter mentioned) all sums, including such expenses as are set out in the Definition of "Ultimate Net Loss", which the Assured shall become legally obligated to pay arising out of operations of the Named Assured(s) and/or ownership of vessels or other property of the Named Assured(s), caused by an accident or occurrence happening anywhere in the world during the policy period by reason of:

EITHER

- A. All Liabilities insured against under any Scheduled Underlying Policy as set forth in the Schedule of Underlying Insurance. This policy shall provide excess coverage on a "following form" basis over the Scheduled Underlying Insurances, subject to all of the provisions, limitations, terms, conditions, definitions and exclusions of this policy;

OR

- B. Liabilities NOT covered by Scheduled Underlying Insurance arising from:

1. All Protection and Indemnity risks for which coverage would be provided by form SP23 with Clause 8 (Cargo) and Clause 13 (Cargo's proportion of general average) deleted;
2. General Average, Collision Liabilities, Towers Liabilities, Salvage, Salvage Charges and Sue and Labor for which coverage would be provided by the American Institute Hull Clauses (6/77) with the Towers "D" Form attached thereto;
3. All other Marine Liabilities for which the Assured shall become legally liable to pay in respect of claims made against the Assured for damages on account of:
 - (a) Bodily or personal injuries, including death resulting therefrom;
 - (b) Property Damage;

if such liabilities are not excluded by Scheduled Underlying Insurance, subject always to all the provisions, limitations, terms, conditions, definitions and exclusions of this policy, and Scheduled Underlying Insurances. Excluding deductibles, self-insured retentions, sublimits or as excluded elsewhere in this policy

4. LIMIT OF LIABILITY: These Assurers shall only be liable for:

EITHER

- A. \$ 5,000,000.00 Ultimate Net Loss (as defined in Clause 10-U), each accident or occurrence excess of any Scheduled Underlying Policy set out in the attached Schedule of Underlying Insurance that provides coverage on an "each accident or occurrence" basis.



OR

B. \$ 5,000,000.00 Ultimate Net Loss (as defined in Clause 10-U), in the aggregate per policy period excess of any Scheduled Underlying Policy set out in the attached Schedule of Underlying Insurance that provides coverage on any annual "aggregate" basis OR if the liability of the Assured is for:

1. Products and/or any completed operations (as defined in the Scheduled Underlying Policy or herein).
2. A claim not covered by any of the Scheduled Underlying Insurance and is being presented as a "Not Otherwise Insured" claim under Clause 3B (1, 2, or 3) of this policy.

The above limits shall apply regardless of the number of types of liabilities insured against hereunder, or the number of vessels or risks involved, or the inclusion of one or more Assured(s) hereunder.

UNDERLYING LIMITS

This insurance is WARRANTED FREE of any claim hereunder UNLESS such liability in respect to the same accident or occurrence (or in the aggregate if the Scheduled Underlying Policy is written on an annual aggregate basis) EXCEEDS:

EITHER

A. The amount(s) of the limit(s) set out in the attached Schedule of Underlying Insurance per Coverage Clause 3A.;

all hereinafter referred to as the "Underlying Limits", and only for the amount in excess of such Underlying Limits subject to the Limit of Liability (Clause 4) set forth above.

This policy does not cover any claim for any deductible or self-insured retention in any Underlying Policy, nor for any amount excess of a sub-limit in any Scheduled Underlying Policy less than the amount set forth for that policy in the Schedule of Underlying Insurance of this policy.

With respect to General Average, Collision Liabilities, Towers Liabilities, Salvage, Salvage Charges, Sue and Labor expenses and liabilities actually insured under Underlying Policies, the sum(s) of said amounts actually insured under the Underlying Policies shall be deemed to be the amount(s) of the limit(s) of said Underlying Policies.

See also Special Conditions 9-I "Maintenance of Scheduled Underlying Insurance".

5. PREMIUM:

This policy is issued in consideration of a minimum earned premium of \$14,000.00, payable at inception

6. CURRENCY:

Premium and losses under this policy are payable in U.S. Dollars. (See also Special Condition Clause 9-I-(4).

7. ABSOLUTE EXCLUSIONS (CLAUSE PARAMOUNT)

The following exclusions shall be paramount and shall override and supersede any provision of any Underlying Policy or inconsistent provision of this policy unless otherwise agreed by these Assurers and specifically endorsed hereon.

THIS POLICY SHALL EXCLUDE and be free of all direct, indirect and/or consequential liability, and free of any loss, damage, cost, expense, bodily injury, personal injury, property damage, loss of use, fine or penalty, and/or duty to defend arising out of, caused by or resulting from:

A. Violation of or non-compliance with statutes, laws, ordinances or regulations regarding:

1. Responsibilities and/or duties imposed upon the Assured by the Unemployment Compensation Act and/or Employees Retirement Income Security Act (ERISA);



2. Responsibilities and/or duties imposed upon the Assured by the Securities and Exchange Act;
3. Anti-trust laws, unfair competition, restraint of trade, or any similar acts or regulations;
4. Any other law, statute, ordinance or regulation --unless such claims be for damages occasioned by actual or alleged bodily injury or death or physical loss or damage to tangible property (including loss of use resulting therefrom);

- B.
1. Loss of life of, injury to, or illness of any subcontractor's employee or employee of a terminal.
 2. Responsibilities and/or duties imposed upon the Assured by Worker's Compensation Acts of any District, State or Nation, Longshoremen and Harbor Worker's Compensation Act, Defense Base Act, Outer Continental Shelf Lands Act or any similar Compensation Act;
 3. Occupational disease in respect of any employee - including without limitation "borrowed employees" of the Assured - that may arise under any workmen's compensation law, unemployment compensation or disability benefit laws, Federal Longshoremen and Harbor Workers Act, or any similar laws, and/or by reason of the relationship of master and servant;
 4. Any liability for bodily injury or property damage, including loss of use thereof directly or indirectly arising out of or in consequence of the manufacturing, processing, handling, distribution, sale, application, removal or use of asbestos, or asbestos related product(s) or any materials containing asbestos in whatever form or quantity.
 5. Notwithstanding anything to the contrary contained in this policy, no coverage is granted by this policy for any claim or expense (including but not limited to defense cost) arising out of the following exclusion.
 - a. POLYCHLORINATED BIPHENYL (P.C.B.): - Bodily injury or Personal Injury or loss of, damage to or loss of use or property directly or indirectly caused by Polychlorinated Biphenyl. The Term PCB as used in this exclusion means Polychlorinated Biphenyl or any derivative thereof.
 - b. SILICA: - Bodily Injury or Personal Injury or loss of, damage to or loss of use of property directly or indirectly caused by Silica.
 - c. LEAD: - Bodily Injury or Personal Injury or loss of, damage to or loss of use of property directly or indirectly caused by lead and/or lead related compounds and/or lead derivatives.

It is further agreed that this policy shall not apply to any liability for Bodily Injury or Personal Injury and/or Property Damage made by or on behalf of any person or persons directly or indirectly on account of continuous, intermittent or repeated exposures to, ingestion, inhalation, or absorption of, any substances, materials, products, wastes or emissions, noise or environmental disturbance where the Assured is or may be liable for any reason including, but not limited to, as a result of the manufacture, production, extraction, sale, handling, utilization, distribution, disposal or creation by or on behalf of the Assured of such substances, materials, products, wastes or emissions, noise or environmental disturbance.

For the purpose of this clause, the term "Personal Injury" shall mean bodily injury or insult (including death at any time resulting therefrom), mental injury, mental anguish, shock, sickness, disease, disability, detention, humiliation or wrongful eviction.

6. Any liability to the spouse, child, parent, brother or sister, or dependent of any employee as a consequence of clause B.3., B.4. and B.5. above.

These exclusions B.3., B.4., B.5. and B.6. above apply:

- (i) whether the Assured may be liable as an employer or in any other capacity; and
- (ii) to any obligation to share damages with or repay any party who is required to pay damages because of the injury.

- C. Fines, penalties, statutory liabilities, or any type of punitive or exemplary damages;
- D. Fraud, infidelity and/or dishonesty or Fiduciary Liability of the Assured, (or any representative or employees of the Assured committed individually or in collusion with others);



E. Any actual or alleged unlawful acts, whether such acts are alleged to be intentional or otherwise, and/or any violation of or non-compliance with statutes, laws, ordinances or regulations regarding or related to:

- (1) any refusal to employ or retraction of any employment offer;
- (2) any suspension or termination of employment of any employee of the Assured, including wrongful discharge of employees;
- (3) any employment-related practices, policies, acts or omissions such as but not limited to:
 - (i) the coercion, demotion, evaluation, reassignment, discipline, civil or criminal prosecution, defamation, harassment, or humiliation of any employee of the Assured;
 - (ii) discrimination or harassment of any nature whatsoever against any employee of the Assured, including but not limited to discrimination based on race, color, creed, religion, sex, age, national origin, alienage, handicap, disability or sexual orientation;
- (4) actual or alleged violations of the Americans with Disabilities Act;
- (5) any bodily injury, personal injury, property damage or other liability directly or indirectly caused by or arising out of any of the foregoing; or
- (6) claims made by relatives of any person at whom any of the foregoing is directed.

This exclusion (E) applies:

- (i) whether the insured may be liable as an employer or in any other capacity; and
- (ii) to any obligation to share damages with or repay someone else who must pay damages because of the injury.

F. Management of any Employee Benefit Plan(s);

Liability arising out of any act or omission of the Assured, or any other person or entity for whose acts or omissions the Assured is legally liable, in respect of the Assured's Employee Benefits.

As used in this exclusion, the term "Employee Benefits" includes, without limitation, Group Life Insurance, Group Health Insurance, Profit-Sharing Plans, Pension Plans, Employee Stock Subscription Plans, Workers' Compensation, Unemployment Insurance, Social Security and Disability Benefits Insurance.

Without limitation, this exclusion shall include:

- a. Bodily Injury, illness or death of any person;
- b. Property Damage;
- c. Any dishonest, fraudulent, criminal, or malicious act or omission, or out of libel, slander, discrimination or humiliation by the Assured or any person or entity for whose acts or omissions the Assured is legally liable;
- d. Advices given by an Assured to an employee to participate or not to participate in any investment or savings program, stock subscription, individual retirement account, or salary reduction plan;
- e. The failure to provide benefits because they are not properly funded, or an insurance company's failure to comply with terms of its policy;
- f. The termination of any employee benefits plan;



- g. The violation of any workers' compensation, unemployment insurance, social security, or disability benefits law or administrative interpretation of such laws;
- h. Fines, taxes, or penalties imposed by law or other matters which may be uninsurable under law;
- i. Giving counsel to Employees with respect to Employee Benefits;
- j. Interpreting the Employee Benefits;
- k. Handling and keeping of records in connection with Employee Benefits;
- l. Effecting enrollment, termination or cancellation of Employees under the Employee Benefits;
- m. Failure of performance of contract by an Insurer;
- n. Lack of compliance with the terms of any contract, declaration of trust, or instrument providing Employee Benefits;
- o. Lack of compliance with any law concerning Employee Benefits;
- p. Failure to procure or maintain satisfactory and adequate insurances on Employee Benefits' assets or property;
- q. Failure of stock or other securities or of any investments of whatever kind to perform as represented;
- r. Any liability arising out of the Employee Retirement Income Security Act and any other similar federal, state or other statutes, rules or regulations.

For the purpose of this exclusion, the following definitions shall apply:

A. "Administration"/ "Administrative" means:

- 1. Giving counsel to employees of the Named Assured including the employee's dependents and beneficiaries with respect to eligibility in or scope of employee benefit programs available to such employee by virtue of this employment by the Named Assured;
- 2. Handling of records in connection with employee benefit programs;
- 3. Effecting or terminating enrollment of any employee of the Named Assured under employee benefit programs;

B. "Employee Benefit Programs" means a formal program or programs of employee benefits maintained in connection with the business or operations of the Named Assured, such as but not limited to Group Life Insurance, Group Accident & Health Insurance, Pension Plans, Employee Stock Subscription Plans, Workers Compensation, Unemployment Insurance, Social Security and Disability Benefits.

- G. Stockholder's derivative actions;
- H. Wrongful acts of directors and officers and managers of the named insured;
- I. Professional Indemnity and/or any type of errors and omissions and/or malpractice. Exclusions in Addendum No. 2 to the American Institute Builder's Risk Clauses (2/8/79) are incorporated herein.
- J. Non-payment of rents, charter hire, loans, mortgages, promissory notes or other debts or for willful breach or cancellation or failure to perform under any contract; or fiduciary duty; or for insolvency or inadequacy of capital;
- K. Claims for infringement of patent(s); unauthorized use of trade mark(s) or trade name(s); misappropriation of design(s), drawing(s), process(es) or procedure(s); or for claims based on misappropriation of minerals or non-payment royalties;
- L. Ownership, use, operation or towing of drilling rigs, drilling barges, drilling tenders, platforms, flow lines, pipe lines, and/or gathering stations, but this exclusion shall not apply to craft serving the foregoing such as crew, supply, or utility boats, tenders or tugs;



M. Any loss, damage, cost, liability, expense, fine or penalty, and/or duty to defend, of any kind or nature whatsoever, whether statutory or otherwise, incurred by or imposed upon the Assured, arising out of or resulting from or caused directly or indirectly by the actual, potential, alleged or threatened seepage, pollution, contamination, discharge, dispersal, disposal or dumping, release, migration, emission, spillage, escape or leakage of **pollutants** into or upon land, atmosphere, environment, or any watercourse or body of water; as well as:

- (a) any cost or expense imposed upon or assumed by the Assured, or arising out of any request, demand or order upon any Assured or others, in connection with testing for, monitoring, evaluating, controlling, cleaning up, removing, containing, treating, detoxifying, nullifying, neutralizing, or in any way responding to, or assessing the effects of, **pollutants**;
- (b) any cost or expense arising out of any claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, evaluating, controlling, cleaning up, removing, containing, treating, detoxifying, nullifying, neutralizing, or in any way responding to, or assessing the effects of **pollutants**;
- (c) any cost or expense imposed upon or assumed by the Assured, or arising out of any request, demand or order upon any Assured or others, in connection with damage to or degradation of natural resources, including fish, animals, vegetation and other life form inhabitants, and/or to the environment, including costs of assessing whether and to what extent such damage or degradation has occurred, costs of evaluating, monitoring, controlling, removing and/or nullifying such damage or degradation, and costs of replacing, replenishing and/or acquiring the equivalent of damaged or degraded natural resources;
- (d) loss of, damage to or loss of use of property directly or indirectly resulting from sub-surface operations of the assured;
- (e) removal of, loss of or damage to sub-surface oil, gas or any other substance.
- (f) any loss, damage or expense arising out of **pollutants** which were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any Assured or any person or organization for whom you may be legally responsible;

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, spoils, fumes, acids, alkalis, petroleum products or derivatives, chemicals, sewerage, dredging spoils, asbestos, and waste materials or substances; waste materials or substances includes materials to be recycled, reconditioned or reclaimed.

N. Any liability, including liability for bodily injury and/or personal injury to or illness or death of any person or loss of, damage to or loss of use of property, directly or indirectly caused by or arising from any site or location currently used or which was used at any time in the past, whether by the Assured or others, in whole or in part for the handling, processing, treatment, storage, disposal, or dumping of hazardous waste materials or substances or the transportation of any hazardous waste materials or substances; this exclusion encompasses, but is not limited to:

- (a) Waste or disposal sites which were, or currently are, owned, operated, or used by the Assured or were or currently are utilized by others acting for and/or on behalf of the Assured;
- (b) Disposal, dumping, conveyance, carriage, or transportation of any seeping and/or polluting and/or contaminating substances or materials or waste substance(s) or material(s) of whatsoever nature; and
- (c) Evaluating and/or monitoring and/or controlling and/or removing and/or nullifying and/or cleaning-up seeping and/or polluting and/or contaminating substances and materials.

The words "loss of, damage to, or loss of use of property" as used in this exclusion include, but are not limited to:

- (a) The cost of evaluating and/or monitoring and/or controlling and/or removing and/or nullifying and/or cleaning-up seeping and/or polluting and/or contaminating substances and materials;
- (b) Loss of, damage to or loss of use of property directly or indirectly resulting from sub-surface operations of the Assured; and



(c) Removal of, loss of, or damage to sub-surface oil, gas, or any other substance or materials.

(d) Damage to or degradation of natural resources, including fish, animals, vegetation and other life form inhabitants, and/or to the environment, including costs of assessing whether and to what extent such damage or degradation has occurred, costs of evaluating, monitoring, controlling, removing and/or nullifying such damage or degradation, and costs of replacing, replenishing and/or acquiring the equivalent of damaged or degraded natural resources;

O. Bodily injury, property damage, personal injury or advertising injury arising out of conduct of any partnership or joint venture of which the Assured is a partner or member and which is not shown in this policy as a Named Assured. (see also Clause 9A);

P. Advertising injury arising out of:

1. failure of performance of contract, however, this exclusion does not apply to the unauthorized appropriation of ideas based upon alleged breach of implied contract;
2. infringement of copyright, trademark, title, or slogan;
3. incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised;
4. the violation of a penal statute or ordinance committed by or with the knowledge or consent of any Named Assured.

Q. 1. War, invasion, acts of foreign enemies, hostilities (whether war to be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority;

2. Hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual impending or expected attack;

(a) By any government or sovereign power (de jure or de facto) or by any authority maintaining or using military, naval or air forces, or;

(b) By such government, power, authority or forces;

3. Insurrection, rebellion, revolution, civil war, usurped power or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation against such an occurrence, seizure or destruction by order of any government or public authority, or risks of contraband or illegal transportation or trade;

4. Proximately or remotely caused by any nuclear incident, reaction, radiation or any radioactive contamination, whether controlled or uncontrolled, contractual or non-contractual, whether based on negligence or not, and whether otherwise insured under this policy;

5. Strikes, lockouts, labor disturbances, riots, civil commotions or the acts of any person or persons taking part in any such occurrence or disorder.

Nevertheless, this exclusion (Clause Q) shall not apply to liabilities:

1. Arising in connection with Vessels owned, chartered, hired or otherwise used by the Assured;
2. Arising out of transit of property of any kind by land, water or air to the extent such liabilities are covered by full War Risks insurance covering physical loss of or damage to cargo;
3. Arising out of any waterborne operations;
4. To seaman or under Workmen's Compensation Statutes;



Unless:

1. There be an outbreak of war (whether there be declaration of war or not) between any of the following countries: United States of America, United Kingdom, France, the Union of Soviet Socialist Republics, the People's Republic of China;
 2. And/or insured vessel is requisitioned, either for title or use, but the Government of the United States or of the Country in which the vessel is owned or registered or of the Country in which any right of requisition is vested in which case this policy shall be automatically and simultaneously canceled.
- R. Bodily injury, personal injury, property damage or other liabilities arising out of the ownership, maintenance, use or operation of aircraft, airfields, runways, hangars, buildings, vessels or other properties in connection with aviation activities, notwithstanding which this policy is to cover automobile exposure if auto liability policies are in the Scheduled Underlying Insurance subject to Absolute Exclusion Clause 7.W. herein.
- S. Loss of or damage to, including loss of use, and expenses in connection with:
- (a) the Assured's product arising out of such product or any part of such product, including faulty, defective and/or substandard design or construction thereof.
 - (b) work performed by or on behalf of the Assured arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith.
 - (c) the withdrawal, inspection, repair, replacement, or loss of use of the Assured's products or work completed by or for the Assured or of any property to which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein.
- T. Loss or damage to cargo and liability for loss or damage to cargo misdirection, delay, loss of use of cargo.
- U. Any activity as a shipbuilder other than for liabilities covered by Protection and Indemnity Clause SP-38 arising out of sea trials.
- V. Mold, Mildew and Fungus Loss, damage, or expense – caused by or resulting from exposure to mold, mildew and/or fungus. This exclusion also applies to:
1. the cost of abatement, mitigation, removal or disposal, and/or
 2. any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with the above; and
 3. any obligation to share damages with or repay someone else who must pay Damages because of such injury or damage, either in equity or in tort.
- W. Uninsured Motorist and Medical Pay Coverage if an Automobile Liability Policy (ies) is/are included in the **SCHEDULE OF UNDERLYING INSURANCES** herein.
- X. **DIVERS EXCLUSION:**
This policy excludes all loss of life, injury to, or illness or Action Over of employees of the assured, subcontractors or employees of subcontractors, passengers or any other person(s) while engaged in, resulting from, arising out of, or caused by, the use of underwater breathing apparatus or other related activities occurring underwater or in the water. This exclusion applies to the use of underwater breathing apparatus for commercial purposes, or for sport or recreational diving.
- Y. **REFINERY EXCLUSION:**
1. Notwithstanding anything contained in this policy to the contrary, all claims which arise out of onshore refineries, petrochemical, or chemical plants and any installations within their boundaries, even while under repair, maintenance, extension or modification, after the initial handling over to the operators, are excluded. This exclusion shall not apply to any insurance in respect of the construction, erection or installation of buildings, plant or other property (including contractors' plant and equipment used in connection therewith) prior to the initial handling over of such refineries, petrochemical or chemical plants to the operators.



2. For the purposes of this clause jetties, wharves, berths, piers and docks shall be deemed to be outside the boundaries mentioned above. However, no cover for liabilities arising out of the operations of jetties, wharves, berths, piers and docks in respect of onshore refineries, petrochemical or chemical plants and any installations within their boundaries shall be afforded hereunder.
3. Nevertheless claims (other than those liabilities in respect of onshore refineries, petrochemical or chemical plants and any installations within their boundaries even while under repair, maintenance, extension or modification after the initial handing over to the operators) in respect of the following shall not be excluded by this clause:

1. facilities for the processing, treatment or separation of gas provided that they are outside the boundaries of the onshore refineries, petrochemical or chemical plants;
2. any field processing.

Notwithstanding any exclusions contained herein, no coverage shall be afforded by this policy unless coverage is provided in clause 3A or 3B of this policy.

8. CONDITIONAL EXCLUSIONS:

The following exclusions shall also apply UNLESS covered by a Scheduled Underlying Policy in which case coverage hereunder shall only be to the same extent and excess of such Scheduled Underlying Insurance (as per Clause 3A):

- A. Operation, ownership, use of any automobile, mobile equipment or aircraft;
- B. Any employee with respect to personal injury or death of another employee of the same employer injured in the course of such employment;
- C. Damage, loss, or expense to property of others which occurred while in the care, custody or control of the Assured hereunder;
- D. Assumed under contract;
- E. Any activity as a shiprepairer other than for maintenance and repairs by the Assured to his own vessels;
- F. Employer's Liability to employees of any Assured hereunder except Employer's Liability arising out of occupational disease (refer to Absolute Exclusion (7) (b);
- G. Manufacturing, selling, distributing serving or furnishing alcoholic beverages, food or drink.
- H. Advertising injury arising out of:
 1. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 2. Oral or written publication of material that violates a person's right of privacy;
 3. Misappropriation of advertising ideas or style of doing business.
- I. Products liability; however, this exclusion shall not apply to marine vessels, marine craft or offshore installations.

9. SPECIAL CONDITIONS: Coverage hereunder is contingent upon the following conditions:

- A. Additional Assureds

In the event of Additional Assured(s) being named or added to any Scheduled Underlying Policy during the currency of the policy, no coverage shall be afforded under this policy for such Additional Assured(s) without the prior written consent of these Assurers who are entitled to an additional premium charge; if required. Coverage is only provided for the term of the contract, but in no event beyond expiration of this policy or termination of the contract whichever shall first occur.



When Additional Assureds are named on this policy, coverage is only provided as respects liabilities to third parties arising out of the operations of the Named Assured insured hereunder. The naming of more than one Assured shall not increase the limit of liability of these Insurers for each accident or occurrence, or policy aggregate.

When the Assured is a partner or member of a Joint Venture or Partnership, this policy will only respond for liabilities insured hereunder subject to all other terms and conditions of this policy, for an amount not exceeding the Assured's participation in such partnership or joint venture unless the Partnership or Joint Venture is named on this policy.

B. Cancellation

1. This Policy may be canceled by either these Assurers or the Assured giving thirty (30) days written notice to the other (except ten (10) days for non-payment of premium) after which this Policy shall be of no force or effect. The mailing or delivering of such notice shall be sufficient proof of notice. The effective date and hour of cancellation stated in the notice shall become the end of the policy period. If cancellation is at the Assured's option, these Assurers will retain earned premium hereunder as per customary short rate table; if cancellation is at these Assurers' option, pro rata unearned premium will be returned as soon as practicable; in either case subject to minimum premiums agreed upon, if any.
2. In the event any Underlying War Risks Insurance is canceled, such cancellation shall simultaneously cancel any corresponding excess coverage insured herein.

C. Bankruptcy or Insolvency

In the event of the bankruptcy or insolvency of the Assured or any entity comprising the Assured, these Assurers shall not be relieved thereby of the payment of any claim hereunder because of such bankruptcy or insolvency.

D. Other Insurance

If other valid and collectible insurance with any other Insurer is available to the Assured covering a loss also covered in whole or part by this Policy (other than insurance that specifically schedules this policy as underlying insurance) the insurance afforded by this Policy shall be excess of and shall not contribute with such other insurance, either as double insurance or otherwise.

E. Cross Liability

In the event a claim is or may be brought by one of the Assureds hereunder against a Named Assured, coverage under this policy shall not be prejudiced by the fact that the claim is brought against the Named Assured by another Assured hereunder. Nothing contained herein shall operate to increase these Assurers' limit of Liability.

F. Conflicting Statutes

In the event that any provision of this policy is unenforceable under the laws or statutes of any State or other jurisdiction, the this Policy shall be automatically amended to conform with such laws or statutes from the time that they become operational.

G. Information and Representation

It is warranted that the information and statements contained in the Application are the basis of this Policy and are to be considered incorporated herein. This policy is void if the Assured has concealed or misrepresented any material fact or circumstance relating to this insurance, or has failed to provide information concerning any material fact or circumstance relating to this insurance. Information or notice of a change possessed by or given to any agent or any other person shall not effect a waiver or change in any part of this policy or stop these Assurers from asserting any right under the terms of this policy; nor shall the terms or conditions of this policy be waived or changed except by a written endorsement issued by these Assurers and forming a part of this policy.

H. Inspection and Audit

These Assurers shall be permitted but not obligated to inspect the Assured's property and operations at any time. Neither these Assurers' right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking on



behalf of or for the benefit of the Assured or others, to determine or warrant that such property or operations are safe, legal or healthful.

These Assurers may examine and audit the Assured's books and records at any time during the policy period and extensions thereof and/or within three years after the final termination of this Policy, as far as they relate to the subject matter of this insurance.

I. Maintenance of Scheduled Underlying Insurance

It is a condition of this Policy that the Policy or Policies referred to in the attached "Schedule of Underlying Insurance" shall be maintained in full force and effect during the currency of this Policy (including renewals or replacement thereof) and that no changes shall be made in a Scheduled Underlying Policy which broadens the insuring conditions thereof or reduces the amounts collectible thereunder or names Additional Assureds thereon unless agreed by these Assurers prior to the effective date of such change and endorsed hereon.

EXCEPT:

1. In the event of reduction or exhaustion of the aggregate limit or limits contained in such Scheduled Underlying Policy or Policies solely by payment of losses in respect to accidents or occurrences during the period of such Scheduled Underlying Policy or Policies, it is hereby understood and agreed that such insurance as is afforded by this Policy shall apply in excess of reduced underlying limit or, if such limit is exhausted, shall apply as underlying insurance, notwithstanding anything to the contrary in the terms and conditions of this Policy.

HOWEVER: If the Scheduled Underlying Policy is on an Annual Aggregate Limit Basis, then the Limit of Liability of these Assurers as stated in Clause 4 will likewise be an Annual Aggregate Limit (not each accident or occurrence) not withstanding anything to the contrary contained elsewhere in this policy.

2. Due to non-currency of a Scheduled Underlying Policy period with the policy period of this policy.
3. Cancellation of a Scheduled Underlying War Risk Policy in which case any applicable excess War Risk coverage insured by this policy is also automatically canceled.
4. If any claim payable under a Scheduled Underlying Policy is payable in a currency other than as designated in Clause 6 of this policy (Currency), then any claim payable under this policy shall be paid excess of the equivalent of the currency designated in Clause 6 if there has been an adjustment in exchange rates at the time of the claim becomes payable.

Failure of the Named Assured to comply with this Condition (I) or inadvertent failure to notify these Assurers of any changes in the Scheduled Underlying Insurance; or bankruptcy or insolvency of a Scheduled Underlying Insurance carrier or non-collectability of any Scheduled Underlying Insurance hereunder shall not prejudice the Named Assured's rights of recovery under this Policy, but, in the event of such failure, these Assurers will be liable only to the same extent as it would have been had the Named Assured complied with the said condition and all Scheduled Underlying Policies hereunder were in full force and effect at the time of the accident or occurrence.

J. Builders Risk Insurance

It is a condition of this policy the Assured shall maintain Builders Risk Insurance in full force and effect and to full completed value on all vessels under construction, or alternatively, be named as an additional assured with waiver of subrogation on the owner's Builders Risk Insurance which is written to the full completed value of the vessel.

10. DEFINITIONS:

Wherever used in this policy, the following terms shall be construed to mean:

- A. Accident means an unexpected happening or event resulting in bodily injury or property damage.
- B. Advertising Injury means injury arising out of one or more of the following offenses committed during the policy period in the course of the Assured's advertising activities:
 1. The publication or utterance of a libel or slander or of other defamatory or disparaging material, or a publication or utterance in violation of an individual's right to privacy.



2. Infringement of copyright, title, or slogan.

3. Piracy or idea misappropriation under an implied contract.

C. Aircraft means any heavier than air or lighter than air aircraft designed to transport persons or property.

D. Annual Aggregate Limit or Aggregate Limit: the total amount payable during a specified period of time regardless of the number of claims, accidents or occurrences during said period of time.

E. Assured: The unqualified word "Assured", wherever used in this policy, includes the officers, directors, boards, commissioners, stockholders, employees, masters or crew members, of such organization while acting in their capacity as such, and vessels scheduled in Scheduled Underlying Policies herein "in rem." If the organization is a partnership or joint venture, any partner or member thereof is included while acting in his capacity as such, per terms below:

NAMED ASSURED: The person or organization named as "Insured" in Clause 1.A. in this policy and includes any associated, affiliated, interrelated and/or subsidiary over which the Named Assured has financial or managerial control. The naming of more than one Assured shall not increase the limit of liability of these Insurers for each accident or occurrence, or policy aggregate.

When the Assured is a partner or member of a Joint Venture or Partnership, this policy will only respond for liabilities insured hereunder subject to all other terms and conditions of this policy, for an amount in proportion to the Named Assured's proportion of interest or participation in such partnership or joint venture bears to the total liability of the partnership or joint venture, subject to the limit of liability of this policy.

ADDITIONAL ASSURED: Any persons or organizations named on this policy as an "Additional Assured" are insured only as respect liabilities to third parties arising out of the operations, maintenance or use of property by the Named Assured herein subject to policy terms, limitations, and exclusions. The naming of more than one Assured shall not increase the limit of liability of these Insurers for each accident or occurrence, or policy aggregate.

F. Assurers: "these Assurers" refers to the insurers of this risk as set forth under "Subscribers" on the Security Page attached to this policy.

G. Automobile means a land motor vehicle, truck, trailer or semi-trailer licensed for use on public highways.

H. Bodily injury means physical injury, sickness or disease of any person which results from an accident or occurrence during the policy period, including death at any time resulting therefrom.

I. Completed Operations means bodily injury or property damage arising out of the Named Assured's operations or services, but only if the bodily injury or property damage occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the Assured. Operations include materials, parts or equipment completed at the earliest of the following time:

- (i) When all operations to be performed by or on behalf of the Named Assured under the contract have been completed.
- (ii) When all operations to be performed by or on behalf of the Named Assured at the site of the operations have been completed.
- (iii) When the portion of the work out of which the bodily injury or property damage arises has been put to its intended use by any persons or organizations other than another contractor or sub-contractor engaged in performing operations for a principal as a part of the same project.
- (iv) Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete shall be deemed completed.

The Completed Operation shall not include:

- (i) the legal liability for operations in connection with the pick up and delivery of property, except in respect to stevedore liability incurred in respect to the loading and discharge of vessels if such liability is covered by a Scheduled



Underlying Policy.

(ii) the existence of tools, uninstalled equipment or abandoned or unused materials.

- J. Contractual Liability means liability assumed under a contract or agreement.
- K. Mobile Equipment means a land vehicle (including any machinery or apparatus attached thereto), whether or not self-propelled; which is:
1. not subject to motor vehicle registration or,
 2. maintained or use exclusively on premises owned by or rented to the named assured, including the ways immediately adjoining or,
 3. designed for use principally off public roads or,
 4. designed or maintained for the sole purpose affording mobility to equipment the following types forming an integral part of or permanently attached to such vehicle: power cranes, shovels, loaders, diggers and drills, concrete mixers, (other than the mix-in transit type); graders, scrapers rollers and other road construction or repair equipment; air-compressors pumps and generators, including spraying, welding and building cleaning equipment and geophysical exploration and well servicing equipment.
- L. Occurrence means a continuous or repeated exposure to conditions which unintentionally causes injury, damage or destruction during the policy period. Any number of such injuries, damage or destruction resulting from a common cause or from exposure to substantially the same condition shall be deemed to result from one occurrence.
- The word "unintentionally" shall not apply to claims arising out of libel, slander, disparagement, defamation of character or invasion of rights of privacy.
- M. Personal Injury means mental injury, mental anguish, loss of consortium, shock, sickness, disease, disability, false arrest, false imprisonment, assault, battery, wrongful eviction or detention, malicious prosecution, liable, slander, disparagement, defamation of character or invasion of rights of privacy.
- N. Policy Period means the time during which coverage is in effect under a Policy of Insurance.
- O. Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, spoils, fumes, acids, alkalis, petroleum products or derivatives, chemicals, sewerage, dredging spoils, asbestos, and waste materials or substances; waste materials or substances includes materials to be recycled, reconditioned or reclaimed.
- P. Products Liability means bodily injury or property damage arising out of an accident or occurrence away from the Assured's premises, caused by goods or products manufactured, sold, handled, distributed, and/or disposed of by the Assured after the Assured has relinquished possession of such goods or products and/or such goods or products are no longer in his care, custody or control. Products Liability does not include any extra expense of re-calling goods or merchandise.
- Q. Professional Indemnity means a guarantee or warranty of skill or workmanlike service, design, suitability for intended service.
- R. Property damage means loss of or direct physical damage to or destruction of tangible property (other than property owned by the Named Assured), including loss of use thereof resulting therefrom.
- S. Punitive damage means fines, penalties or judgments levied against the Assured to punish or make an example of the Assured.
- T. Scheduled Underlying Insurance and Scheduled Underlying Policy(ies) means the policies listed in the Schedule of Underlying Insurance.
- U. Ultimate Net Loss means the total sum which the Assured becomes obligated to pay by reason of matters set out in the Insuring Agreement (Clause 3 COVERAGE) either through adjudication or compromise settlements, and shall also include hospital, medical, and funeral charges and all sums paid as salaries, wages, compensation, fees, charges and law costs,



premiums on attachment or appeal bonds, interest, expenses for doctors, lawyers, nurses, and investigation of claims and suits which are paid as a consequence of an occurrence covered hereunder, excluding, however, the salaries of the Assured's permanent employees and general office overhead and also excluding any part of such expenses for which the Assured is covered by other valid and collectible insurance.

- V. Underlying Insurance and Underlying Policy(ies) means the policies listed in the Schedule of Underlying Insurance, as well as the insurance available to the Assured under all other insurance policies applicable to an occurrence which is within the scope of subject matter and coverage set forth in this policy.
- W. Underlying Limit(s) means the Limit of Liability of a Policy of Insurance shown in the Schedule of Underlying Insurance, as well as the Limits of Liability available to the Assured under all other insurance policies applicable to an occurrence which is within the scope of subject matter and coverage set forth in this policy.
- X. Wrongful Act means any actual or alleged error or misstatement or misleading statement or act or omission or breach of duty by Directors, Officers and Managers in the discharge of their duties, individually, or collectively, or any matter claimed against them solely by reason of their being Directors, Officers or Managers of the Named Assured.

The Definitions of any underlying policy shall be incorporated herein to the extent they do not conflict with definitions contained in this policy. In the event of a conflict, the definitions contained herein shall be paramount.

11. CLAIMS: In the event of a claim being presented hereunder:

A. Notice of Occurrence

It is hereby warranted that all Assureds shall notify these Assurers through their Broker as soon as it becomes reasonably evident that a claim could potentially involve this policy.

B. Assistance and Co-operation

These Assurers shall not be called upon to assume charge of the settlement or the defense of any claim made or suit brought or legal proceeding instituted against the Assured, but these Assurers shall have the right and shall be given the opportunities to associate with the Assured or the Assured's Underlying Insurers, or both, in the defense and control of any claim, suit, or proceeding relative to an occurrence where the claim or suit involves or appears reasonably likely to involve these Assurers in which event the Assured or the Underlying Insurer shall co-operate in all things in the defense and appeal of such claim, suit, or proceeding.

C. Appeals

In the event the Assured and/or any of the Underlying Insurers elect not to appeal a judgement in excess of the Underlying limit, these Assurers may elect to make such an appeal at their own cost and expense and interest incidental thereto. The Assured agrees to co-operate with such appeal as set forth elsewhere in this policy.

D. Assignment

Assignment or transfer of any claim or interest under this policy shall not be binding without the written consent of these Assurers.

E. Subrogation

Inasmuch as this policy is "Excess Coverage", the Assured's right of recovery against any person or other entity cannot be exclusively subrogated to these Assurers. It is, therefore, understood and agreed that in case of any payment hereunder, these Assurers will act in concert with all other interests (including the Assured) on the exercise of such rights of recovery. The apportioning of any amount which may be recovered shall follow the principle that any interests (including the Assured) that have paid an amount over and above any payment these Assurers, shall first be reimbursed up to the amount paid by them. These Assurers are then to be reimbursed out any balance then remaining up to the amount paid hereunder; lastly, the interests (including the Assured) of whom this coverage is in excess are entitled to claim the balance, if any. The Expense of any subrogation proceeding brought to enforce such rights shall be apportioned among the interests in the same proportion that the amount of their respective recoveries compares to the amount paid by each of them.



Nothing herein contained shall be construed to require the Assured to enforce by legal action, any rights of salvage, subrogation or indemnity, before the Insurers shall pay any loss covered hereunder.

F. Action against these Assurers

No action shall lie against these Assurers unless, as a condition precedent thereto, the Assured shall have fully complied with all the terms of this policy, nor until the amount of the Assured's obligation shall have been finally determined either by judgement against the Assured after actual trial or by written agreement of the Assured, the Claimant, and these Assurers.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Policy to the extent of the insurance afforded by this Policy. Nothing contained herein shall give any person or organization any right to join these Assurers as a co-defendant in any action against Assured to determine the Assured's Liability.



INSTITUTE EXTENDED RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE

11/1/02

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from:
 - 1.1 ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
 - 1.2 the radioactive, toxic, explosive, or other hazardous or contaminating properties of any nuclear installation, reactor, or other nuclear assembly or nuclear component thereof;
 - 1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
 - 1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.

CL356A

INSTITUTE RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE
(U.S.A. ENDORSEMENT)

This insurance is subject to the INSTITUTE EXTENDED RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE 1st November, 2002 provided that:

If Fire is an insured peril

AND

Where the subject matter insured or, in the case of a reinsurance, the subject matter insured by the original insurance, is within the U.S.A., Its Islands, onshore territories or possessions

AND

A fire arises directly or indirectly from one or more of the causes detailed in Sub-Clauses 1.1, 1.2 and 1.4 of the INSTITUTE EXTENDED RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE 1st November, 2002;

any loss or damage arising directly from that fire shall, subject to the provisions of this insurance (reinsurance), be covered, EXCLUDING however any loss, damage, liability, or expense caused by nuclear reaction, nuclear radiation, or radioactive contamination arising directly or indirectly from that fire.

Attached to and forming a part of policy number SE08LIA9194/81



CHEMICAL, BIOLOGICAL, BIO-CHEMICAL, ELECTROMAGNETIC TERRORISM EXCLUSION CLAUSE

American Institute of Marine Underwriters (AIMU) Chemical, Biological, Bio-Chemical and Electromagnetic Exclusion Clause (March 1, 2003), to apply to this contract in respect of risks attaching on or after March 1, 2003 but only as respects losses arising out of an act of terrorism as defined in the Terrorism Endorsement herein.

AIMU CHEMICAL, BIOLOGICAL, BIO-CHEMICAL, ELECTROMAGNETIC EXCLUSION CLAUSE (March 1, 2003)

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

In no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to or arising from an actual or threatened act involving a chemical, biological, bio-chemical or electromagnetic weapon, device, agent or material when used in an intentionally hostile manner.

AIMU U.S. ECONOMIC AND TRADE SANCTIONS CLAUSE

Whenever coverage provided by this policy would be in violation of any U.S. economic or trade sanctions such as, but not limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), such coverage shall be null and void.

Similarly, any coverage relating to or referred to in any certificates or other evidences of insurance or any claim that would be in violation of U.S. economic or trade sanctions as described above shall also be null or void.

Attached to and forming a part of policy number SE08LIA9194/81



Terrorism Exclusion

In consideration of premiums charged, this contract excludes any loss, damage, liability or expense arising from:

1. Terrorism; and or
2. Steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived terrorism.

For the purpose of this clause, "terrorism" means any act(s) of any person(s) or organisation(s) involving either:

- (i) The causing, occasioning or threatening of harm of whatever nature and by whatever means;
- (ii) Putting the public or any section of the public in fear,

in circumstances in which it is reasonable to conclude that the purpose(s) of the person(s) or organisation(s) concerned are wholly or partly of a political, religious, ideological or similar nature, or:

- (iii) Loss, damage, liability or expense arising from an "act of terrorism" certified under the Terrorism Risk Insurance Act of 2002 by the Secretary of Treasury, in concurrence with the Secretary of State, and the Attorney General.

Attached to and forming a part of policy number SE08LIA9194/81



NAVIGATORS INSURANCE COMPANY

SECURITY

IN WITNESS WHEREOF, the company hereunder has caused this policy to be signed by a duly authorized representative of Navigators Insurance Services of Washington, Inc. an agent of the company, this 19th day of December, 2008

by:

Date: 9/25/09

**On behalf of Navigators Insurance Company through
Navigators Insurance Services of WA, Inc.**

Attached to and forming a part of Policy No. SE08LIA9194/81

COPY



SCHEDULE OF UNDERLYING INSURANCE

COMPANY	POLICY NO.	EXPIRES	TERM YRS.	AMOUNT/LIMITS	COVERAGE DESCRIPTION
St. Paul Fire & Marine	OL08400599	06/09/09	1	\$1,000,000 minimum per occurrence \$2,000,000 general aggregate	Marine General Liability
Safeco (American States Ins. Company)	O1CH89403301 Or renewal thereof	06/09/09	1	\$1,000,000 minimum per occurrence and/or accident	Automobile Liability
St. Paul Fire & Marine	OX08400163	06/09/09	1	\$5,000,000 excess of \$1,000,000 minimum per occurrence	Marine Bumbershoot
SeaBright	BB1081732 Or renewal thereof	06/0909	1	\$1,000,000 Each Accident \$1,000,000 Each Employee \$1,000,000	MEL/Employers Liability
WQIS	4140691	06/09/09	1	\$1,000,000 Per Vessel OPA \$5,000,000 minimum per occurrence and/or accident for CERCLA	Vessel Pollution Liability
St. Paul Fire & Marine	OH08400495 or renewal thereof	06/09/09	1	\$1,000,000 minimum per occurrence and/or accident	Protection & Indemnity

Attached to and forming part of Policy #SE08LIA9194/81

POLICY ENDORSEMENT

NAVIGATORS INSURANCE COMPANY

ENDORSEMENT NUMBER ONE (1)

POLICY NUMBER: SE08LIA9194/81
ASSURED: Pacific Pile & Marine LP
EFFECTIVE DATE: January 14, 2009

In consideration of the premium charged, it is agreed that the following is named as additional assured for the above referenced policy:

**Brackish Properties, LLC as owner of the property
at 582 S. Riverside Drive, Seattle, WA 98108**

Attached to and forming part of above referenced Policy Number.
All other terms and conditions remaining unchanged.

COPY

by:

Date: 9/25/2009

On behalf of Navigators Insurance Company through
Navigators Insurance Services of WA, Inc.

